

§ 2. *Later Methods of Assessment.*

But in the North-West Provinces, Oudh, and the Central Provinces, a totally new element had gradually been introduced. In these provinces the landlord classes were largely non-agriculturist, and in consequence the land was mostly cultivated by *tenants*, and the rents thus realized from the land came to be more and more commonly paid in cash. At the present day the cases where grain-rents are paid are insignificant (and the means of ascertaining a cash-rate by comparison are easy); so that the system is not altered by such exceptional cases.

The growth of tenant-cultivation and the use of cash-rents were very important changes in the constitution of agricultural society. And gradually they affected assessment principles. In fact we may reckon four stages of assessment rule development. The first was marked by the attempt to value *produce*, which I have alluded to as characteristic of the *early* working of Regulation VII of 1822; it was, in fact, a clinging to the idea of finding out a proper share of the produce and valuing it in money. The year 1833 marks the *second period*, when the produce idea was given up, and an attempt was made to obtain a direct cash valuation of the estates, with more or less reference to the rental value. This was the old 'aggregate to detail' method, and consisted in roughly calculating out a *gross rental* of the estate, and taking two-thirds of it as the revenue.

The third period is marked by a great improvement in the method of classifying soils, and in an attempt to fix more scientifically the rent-paying capacity of each class. This I may call the *stage of scientifically estimating what rent ought to be*, and taking a share—reduced to fifty per cent.—of the ideal 'rental.'<sup>1</sup>

<sup>1</sup> I quote the following from an able article in the *Pioneer* (June 21, 1884). Speaking of the 'ideal' rent system, the author says:—

'The individual rents actually

paid were, in theory at least, disregarded. The main feature of the Settlement... was that the process employed in the preceding Settlement was exactly reversed. Rent





The *fourth* and last stage I shall speak of when I come to mention the latest policy of the Imperial Government regarding future revisions of Settlement,—viz. those now in progress, or, speaking generally, since 1881. It will be sufficient here to state briefly that it abandoned the *ideal* rent for the natural or *actual* rent.

The abandonment of the elaborate method which is associated with the honoured names of C. A. Elliott and other eminent Settlement Officers of the last North-West Provinces Settlement, does not imply any disparagement of the skill and ability of its authors.

‘It is owing’ (writes Mr. Fuller, himself the author of an improved method of assessment in the Central Provinces) ‘to their (the Settlement officers’) labours and to their ability that assessments were made which were an immense improvement on what preceded, and under which the country has generally prospered. But the circumstances on which the value of land depends are so numerous, so diverse, and often so occult, that, however great be the talents or energy of the Settlement officer, it is impossible that he should not occasionally slip into error: and a single error on a point of detail may vitiate a whole assessment. It is notorious that past assessments have from the outset pressed unequally on the people. No sooner has a Settlement been completed than it has become a matter of common report that such and such a village has fared badly, whilst others have got off very lightly—the all-sufficient explanation to native minds lying in the temper of the Settlement officer (*hākīm ki mizāj*).’

rates were based on the actual rents found to be paid by cultivators in the neighbourhood, and were then applied to the lands of each village, which had been minutely classified, so as to correspond with the various rates of rent which were, or were supposed to be, paid for each kind of soil. Crop rates were still worked out on calculations of the gross produce and its value, but they were not professed to be used except as checks on the rates based on actual rents, and in fact they were hardly used at all. They were merely

the atrophied relics of a disused theory. Each then of these three Settlements rested on a different basis,—the first on the produce and its value; the second on gross rents assumed for large areas; the last on special rents paid for individual fields; and each successive stage was an approximation to the true theory of our present land-revenue, namely, that instead of dealing with the cultivator we deal with the proprietor, and instead of taking a share of the produce we take a share of a natural rent.’



§ 3. *The latest system of Assessment.*

The North-West Provinces districts that are now being settled have, of course, been settled several times before. Therefore, in most of them very little in the way of re-survey or record of rights is required. But the revision of the assessment is now conducted solely on the basis of the rents actually paid. The account has, of course, still to be completed, by applying rent rates to the proprietors' *sûr* lands (with an allowance of from ten to fifteen per cent. below full tenant rates); by applying rents to lands held at favourable rates, or at no rent at all; and by correcting any manifest defects or errors in the rent-roll.

Provision is also made for cases where the recorded rent-rolls fraudulently misrepresent facts, or are otherwise inaccurate or unreliable.

In short, though the assets are now to depend on the actual rental, irrespective of allowance for extension of cultivation, or anticipated enhancements, still it is to be an actual rental, not one which represents imaginary rents, below what are paid, or excludes land from the account without showing any rent at all.

In the *Panjab*, the latest method of assessment still remains different from this. We cannot make use of *rentals* of the estates, because the bulk of the land is not rented,—and what is rented pays 'batâi,' or rent in grain. At the same time, the old plan of assessing the aggregate revenue first, and then distributing it, and the subsequent practice of relying on the valuation of one-sixth of the produce, is completely given up. The assessing officer has therefore to determine *for each class of soil*, in each assessment circle, *rates per acre, which are direct revenue rates.*

These have to be sanctioned before being made use of in actual assessment, and when so made use of can be modified to meet peculiar requirements of individual estates,—requirements, that is, of a special character, and not already provided for by the grouping into circles for assessment purposes.





There is still no method of finding out the rates which dispenses with personal opinion and sense of fitness; but the rates that are proposed can start with the basis that there are existing rates, and *prima facie* these are to be raised (or it may be lowered) on a consideration of the history of the circle and its prevalent prices since the last Settlement.

Then again, rates that first suggest themselves are tested by a variety of calculations; and it is worthy of remark that the rules of 1888 now distinctly direct that as a test of rates, an average tenant holding in each soil-class should be selected, and the rent, if it is in cash, accurately ascertained; or, if it is paid in grain, then the grain is to be valued in money at a fair average price. On this basis estimates of the landlord's share, or produce rent (and the Government half) per acre, are drawn up for each of the different soil-classes. This shows that circumstances are beginning to admit of tenants' rents being made more use of, in calculation; and it is also to be pointed out that such estimates have one great value—they afford a good idea of the *relative* value of different soils or different modes of cultivation.

But perhaps the most interesting development is that of the assessment method devised for the Government Settlements in the Central Provinces.

It may be observed, that in the North-West Provinces, though the Settlement officer calculates tenants' rents in order to obtain his valuation of estates, in *theory* he had nothing to do with fixing rates that the tenants were actually bound to pay. That was supposed to be done by the consent of the parties, and by recourse to the Rent Courts under the Tenant Law. As a matter of fact however, the Settlement officers *did* do a very great deal, though informally, to help the people to a settlement of the rents consequent on the new assessment. But in the Central Provinces the law has so limited the rights of the proprietors of villages as regards the old tenants, that it also was necessary by law to provide that the Settlement





officers should formally and legally determine fair rents. Hence it was desirable to strike out a method which should fix tenants' rents equably, and at the same time enable the Government share of the rental-assets to be assessed without further trouble.

Unfortunately it has been the great difficulty of all Settlement calculations, that rates, however carefully tested, *will* fall unequally. The surveyor and classifier can take note of palpable differences of situation, and distinct kinds and varieties of soil; but besides these, there are a hundred other circumstances which affect value, some of which defy explanation. It was desired to see whether some steps could not be taken to *compare* the rents paid in one village with those paid in another, so that there could not only be a positive increase (or decrease) where needed, but also an equalization of one estate with another.

Mr. Fuller, B.C.S., who had been assistant to Sir E. Buck in the North-West Provinces, was appointed to direct the new Settlements in the Central Provinces, and he devised a system which is working very well. This system is described in detail in the proper chapter of the sequel; here I can only generally indicate its principle.

The *actual rents* paid in different villages on different classes of soil are first carefully ascertained; and, so far, it can at once be seen (individually) whether they are too low or too high; and if too low, up to what they can fairly be enhanced. For we can compare the rates within the village, with what, under the circumstances, they might be expected to be. For instance: the present rental is found to be only very slightly in excess of what it was at the beginning of the expiring Settlement: yet during the period, cultivation has extended 200 per cent., and prices (suppose) have doubled; here, unless there are special reasons, the rental may be considerably raised. But this does not enable us to compare the rents of one village with those of another; in order to do this, the soils of both must be reduced to a 'common denominator'; for we could not compare the results (taking an all-round rate per acre)





unless the villages were alike in classes of soil, and in the proportion of each class of soil in each village area, which, of course, is rarely or never the case. But if we can ascertain that one class of land stands, as regards its productiveness, in a certain relation to another, then we can reduce the area of a village to a number of 'soil-units' of equal value. Suppose, for instance, a village *A* consists of 1000 acres and pays a total rental of R. 1000, and that a village *B* has the same acreage and same total rental:—

	Acres.	
But <i>A</i> 's area consists of	$\begin{cases} 300 \text{ 'black' soil} \\ 700 \text{ 'red' } \end{cases}$	$\begin{cases} \\ \end{cases} = 1,000$
<i>B</i> 's area consists of	$\begin{cases} 600 \text{ 'black' } \\ 400 \text{ 'red' } \end{cases}$	$\begin{cases} \\ \end{cases} = 1,000$

Now, by observation, careful experiment as to actual produce on calculated areas, and inquiry, it is found that the productiveness of 'black' to 'red' is as 20:12—

So that in <i>A</i>	$\begin{cases} 300 \times 20 = 6,000 \\ 700 \times 12 = 8,400 \end{cases}$	
	<hr/>	14,400 soil-units of equal value.
And in <i>B</i>	$\begin{cases} 600 \times 20 = 12,000 \\ 400 \times 12 = 4,800 \end{cases}$	
	<hr/>	16,800      "      "      "

We can now compare how the equal rental of R. 1000 falls; for by dividing R. 1000 by the total *soil-units* of each, we find that *A*'s rate per soil-unit comes out 1'11 anna, while *B*'s comes out at 0'95 anna. The difficulty is to work out the proper 'soil-factor' or number by which each acreage of class of soil must be multiplied to reduce it to a common denominator of equal productivity.

But this factor can be calculated for an entire *tahsíl* and can then be used by slightly modifying the results to provide for special and local features in individual villages or groups of villages.

The tables prepared for the villages in each circle, will show the actual incidence per soil-unit; the unit-rate as it ought to be on general considerations, in comparison with



other villages; and the actual unit-rate adopted with reference to any peculiarity in the village itself. In many tables I find this last is something less than the second, because of the caste or condition of the tenants, or some other special consideration of the kind. Thus, for instance, we may have an actual incidence *per* soil-unit of 0·65 anna; but with reference to increase in assets (extended area of cultivation, rents having risen, &c.), the incidence might fairly be 0·80; but from considerations of the actual state of the tenantry, the Settlement Officer will recommend 0·70 as the rate to be adopted. Of course, given this rate and the soil-factors, it is a mere matter of arithmetic to take out the actual rent per acre of each soil in the village as shown in the map and field index.

#### § 4. *Element of intuitive calculation in Assessment work.*

With all these different methods, it is apt to be supposed that, after all, Settlement is very much a matter of individual taste and opinion, and that the elaborate tables and calculations do not produce much but expense and long report-writing. There is, no doubt, in every assessment, a point where it comes to taking a certain figure, which implies an element of personal judgment—the intuitive conclusion of a trained mind accustomed to the work. But such conclusions are *tested* after they originate, so that they are practically satisfactory.

All Settlement systems of a modern kind depend on having an accurate survey of every field—grouping of villages into ‘assessment circles’—or something equivalent—according to general similarity of position and advantages, and a complete classification of soils whereby every field can be referred to a certain class, for which an appropriate rate is worked out.

What that *rate* is to be, is calculated under the different systems in different ways. In a country rented by *tenants*, it depends on the rent actually paid, correcting the record





where it is not a real or full rent that is shown; and supplying a proper figure where the land does not pay rent. In other places, it is a rate derived from general considerations of past payments in relation to subsequent rise in prices and improved condition, generally checked by estimates of produce or rental receipts. In others again it approximates more to a rate representing the half of the actual 'net produce' (produce after allowing for all costs and profits of labour). In most systems the acreage rate represents rather the net income, than an actual net produce valued in money; and the general rule is that from 45-55 per cent. of the calculated *net* income is the Land-Revenue.

Originally the person responsible for the revenue was content to pay ninety per cent. and retain ten per cent.; he made his profit in other ways. Even when under British law, he was first called 'proprietor'—and it might seem that a proprietor was hardly to be so called if he had to pay so heavy a share to the State,—it must be remembered that the *proprietary right was a pure gift of which one person (or one body) was not to get the whole benefit*; and further that the 'assets' of which he gave up ninety per cent., did not really represent anything like his whole receipts. As the systems became more searching in their calculations, the percentage was reduced, at first to sixty-six per cent. or two-thirds, and then lower still<sup>1</sup>.

But, to return to the calculation of assets or the rates which represent assets per acre. There must necessarily be a point where estimation—guess-work if the term is preferred—comes in. No *rule* can possibly be laid down as to whether a certain soil should pay 1 R. or 1 R. 8a. or 1 R. 10a. per acre: a sense of fitness under all the conditions of the case, arising in the mind of a practical officer who has carefully inspected the land map and note-book in hand, must begin the work; but if the figure is not justifiable, its error will surely appear when we come to apply the rates

<sup>1</sup> And where, as in some cases in Bengal, it still remains at seventy per cent., it is where the person holding the Settlement is really

only a nominal proprietor, and glad to collect at a remuneration of thirty per cent., while the tenantry get a larger share of the total.





to the whole village or circle, and compare the results with existing payments and test them in various ways. And in Bombay the test is mainly applied by having the relative value of fields fixed on certain definite principles, so that if the full rate is at all accurate, the individual valuation of fields is almost a matter of arithmetic.

All systems insist on the rates being reported and justified, before actually put into force; and therefore, though the rates may be *initiated* to some extent by more or less arbitrary methods, they are not *used* till their resulting totals are tested and examined on *data* which are quite sound and satisfactory, while the results are made to conform to principles of equitable taxation laid down by Government.

### § 5. 'Cesses.'

Properly speaking, we are concerned only with the 'land-revenue,' but it may be convenient to explain that in many Settlement Records another charge will be found entered. The co-sharer in a village, for example, is entered as paying for his field say 15 rupees, of which 13 R. is 'mál' or land-revenue, and 2 R. is 'siwái' or cesses. The cesses were from an early date levied to pay for certain public works which benefited the locality only, and were not, therefore, properly a charge against the Imperial Land-Revenue<sup>1</sup>.

The 'cesses' are levied at the present day under local Acts.

## SECTION XI.—THE MODERN QUESTION OF A GENERAL PERMANENT SETTLEMENT.

Before I pass on to some other matters of importance connected with land-revenue administration, I feel that it is almost unavoidable to give some further detail regarding

<sup>1</sup> The land-revenue proper is, for budget purposes, divided between the Imperial treasury—to meet Imperial or general charges, like the

army, home charges, &c.,—and the local treasures of the different provinces, for *general* provincial expenditure.





the proposal to assess the land-revenues of provinces once and for all. Probably there are now very few persons of Indian experience who are likely to entertain any such proposition with favour; and for official purposes the question is dead and buried. But from time to time such questions recrudesce; and dressed up in showy and plausible arguments, they are made use of to the bewilderment of persons to whom the facts of the case are not familiar. I believe that a few pages devoted to the actual history of the question during the last twenty years, and to a plain statement of some of the leading considerations on the merits of the discussion, will not be without their use, nor wholly devoid of interest, especially to the non-official reader.

### § 1. *Official History of the Question.*

This question arose for the second time with reference to the Settlements of the North-Western Provinces<sup>1</sup>.

When the thirty years' Settlements made under the Regulations of 1822 and 1833 began to fall in, the country was still suffering from the effects of the disorder produced by the Mutiny, and by the famine and cholera of 1860. Under such gloomy circumstances, the districts came up to be re-settled for a new term. The report on the famine of 1860-61 by Colonel Baird Smith, struck the key-note of praising the moderate assessments of the past Settlements, and treating them as an instalment of a gift which would be completed by making the moderate assessment *permanent*. The light assessments had enabled people to bear up against the famines in the last year better than they had done in the famine of 1837-38; and it was urged that if the assessment was made, not for thirty years but for ever, it would achieve still greater success. This report received, at the time, a good deal of commendation. There is, however, no

<sup>1</sup> I am indebted throughout to Mr. (now Sir A.) Colvin's admirable Memorandum on the Revision of Land Revenue in the North-Western Provinces, 1872 (Calcutta: Wyman

and Co.). A collection of official papers regarding the Permanent Settlement was also reprinted in 1879.





sufficient reason to assume that the permanence of a Settlement has anything whatever to do either with the improvement of the land or the happiness of the people. And there are other considerations which the Report ignored. But the pendulum of general and official opinion swings in a long course from side to side in these revenue-administration questions,—permanency, tenant-right, and so forth; and at that period it was again on the descent towards the Permanent-Settlement side. It also happened that, in 1861, attention had been attracted to the unexploited *waste lands* of India. Forest conservancy had not then come under the public notice, and even if it had, the area of waste available for cultivation was large. Lord Canning, then Governor-General, wrote a minute on the subject; and it was argued that if the lands were sold free of any revenue demand, it would encourage their occupation and draw capital to this source of expected profit.

And naturally, from the question of occupying waste lands free of revenue charge, the Governor-General's remarks passed on to the possible advantages of a general *redemption* of the land-revenue on estates already occupied. The redemption was to be effected by paying up in one sum the prospective value of the revenue demand. On this, the Board of Revenue in the North-West Provinces advocated a *permanent settlement* (for, of course, the revenue must be permanently assessed before it could be redeemed). The Secretary of State, however, in 1862, rejected the policy of a redemption of land-revenue, but said he would listen to proposals for a permanent Settlement.

It needs no lengthened explanation to understand that so long as a district is not fully cultivated, and there is any serious prospect of alteration in its economic position, an assessment hastily made permanent must be ever after regretted. The form the problem took in 1862 was—What are the conditions which must be fulfilled *seriatim* before a district can be fit for a final revision of assessment, so that there need be no further change? At first it was assumed that when a careful revision of the existing (and then





expiring) rates had been effected, and when no considerable increase of cultivation in future was probable, a permanent assessment might be practicable.

In 1864 the terms were formulated by the Government of India (and were modified at home in 1865). The condition was laid down that eighty per cent. of the culturable area should have been brought under cultivation, and then that the rate of permanent assessment need not be as low as fifty per cent. of the net assets (the rate at which the revenue demand had previously been fixed by the ordinary Settlement rules). But this was not satisfactory; and in 1867 another condition was added, regarding the probability of canal irrigation being extended to the lands in the next twenty years. This, of course, largely alters the rate of produce and the value of the land.

Then, it seems, officers were set to work to find out what districts or parts of districts could be permanently settled under these conditions. But in 1869 some cases came up (in the course of the inquiry) in which it was demonstrated that—although the conditions were satisfied—there would be a great prospective loss to Government by making the assessment permanent. Accordingly a third condition was recommended. The Government of India, in concurring, went so far as to say, what practically amounted to this, that a permanent Settlement should be deferred so long as the land continued to improve in value by any causes which were not the direct result of the occupant's own efforts.

It does not seem to have occurred to the supporters of the idea of a permanent Settlement, that it would be possible to secure all or nearly all the advantages, whatever they are, without the disadvantages of fixing a limit which—no matter what new combinations the future may produce—can never be altered. Still less did it seem to them necessary to be very cautious (in India) when we prophesy what *will* be the results, in the future, of any given proposal. For instance, let us refer to the difficulty which arises when a cash assessment is fixed for ever, and a fall in



the value of money occurs. The reader of the present day will peruse with something like amazement, the remark in Sir Charles Wood's despatch of 1862, that the 'fall in the value of money was not of sufficient moment to influence the judgment of Her Majesty's Government to any material extent. Prices were unlikely to rise greatly: even if they should rise, the Government of India might easily find sources of income other than the land<sup>1</sup>.'

But to continue: the practical outcome of the discussion at the time, was (as I have said) that a searching inquiry into the condition of districts was to be made, to see really what districts were in a condition that would satisfy the requirements of the case. Before this was completed, the very difficulty which Sir Charles Wood treated so lightly, actually overtook us;—the increasing depreciation of silver had begun seriously to embarrass the Indian Government; and the financial position afforded unmistakeable proof of the danger of attaching permanency to a money-assessment. For a time the subject dropped. But in 1882, it finally came up again in connection with the Resolution which the Government of India issued on the subject of reform in the procedure of Settlements. The key-note of this was, the possibility of securing the advantages derivable from a permanent Settlement, without abandoning the unquestioned claim of Government to share in the increase resulting from improvements made by itself, and from a general rise in prices.

As far as a question of permanent Settlement (pure and simple) is concerned, the Government of India despatch

<sup>1</sup> As a matter of fact, nothing is more difficult than to 'find the other sources.' While provision has now to be made for making an increasing charge in the Budget for loss by exchange, the subjects of taxation are extremely limited. The Income-tax, or a tax on trades and professions, is the main alternative, but it presents great difficulties. Nevertheless, it is interesting to mark that, as *Manu* contemplates the king

taking a share from the produce of land, so also he gives him a share of the increase of the merchant and the manufacturer. (Chap. vii. 127-131; x. 120, &c.) The land-revenue becoming more and more in effect a tax on agricultural income, the tax on other incomes is its direct and logical counterpart. However this may be, it is certainly *not* easy to find other sources of revenue.





elicited from the Secretary of State a reply<sup>1</sup> which, after admitting the difficulty of finding other sources of revenue, noticing the change that had come over the financial position, and acknowledging that the anticipations of benefit from the permanent Settlement in Bengal had not been realised, concluded:—

‘I concur with Your Excellency’s Government that the policy laid down in 1862 should now be formally abandoned.’

And in writing to the North-Western Provinces Government the Government of India said<sup>2</sup>:—

‘It is sufficient for present purposes to announce that Her Majesty’s Secretary of State has now definitely agreed with the Government of India in rejecting the policy of a permanent Settlement pure and simple.’

## § 2. *General reflections on the principle of permanence.*

It is no part of this work, intended for practical purposes, to enter into discussions of principles. I desire to give the results rather than the details of controversies. At the same time, in a matter like this, which has so often been misrepresented, I may be pardoned for adding a few remarks. It would be difficult, in a thorough and unprejudiced inquiry which went beyond mere phrases, to discover any real argument for a permanent Settlement—I mean an argument in which the perpetuity of the assessment is the essential point—except the *one* that all future costs of re-settlement and all harassment to the people would be avoided. All other arguments (as far as they are not merely prophetic of imagined results) *may at once be admitted*, only they are equally true of any Settlement for which a fair term of duration is provided. And as regards the one argument which is real, the benefit is surely far outweighed by the admitted sacrifice of revenue, when it

<sup>1</sup> Despatch No. 24, dated 28th March, 1883.

<sup>2</sup> No. 525 R., dated 9th May, 1883.





is remembered that the process of re-settlement *can*, by judicious arrangements, be so carried out as to be very slightly, if at all, vexatious, and its cost reduced to a minimum.

As regards the 'prophetic arguments'—the hoped-for creation of a prosperous middle class, the improvement of the land and the growth of other sources of State income, expected from the permanent assessment, the experience (under most favourable conditions) in Bengal and Benares, shows that as a fact, though the assessment has become *very* light, nothing of the kind has happened<sup>1</sup>. As regards the greater encouragement to agriculture, and to the expenditure of capital on irrigation and other landlords' improvements, as a matter of fact, in no single province or district has a permanent Settlement been known to have any such effect.

In the first place it may be asked (with one of the Collectors in the North-Western Provinces)—as to improvements made by landlords, where, as a rule, are they? Generally, they are made at the expense of the cultivating tenants, at any rate in the end. And certainly where landlords do make improvements, little difference can be detected between permanently-settled and other estates. Here and there, a landlord makes improvements, because

<sup>1</sup> Nothing can be more curious than the results of a low assessment, whether fixed for ever or not. In one large district, at least, where a low assessment was secured for thirty years, the result has been, not that a wealthy class has arisen, but that simply all restraint has vanished, and the poor population has multiplied to such an extent that the wealth accumulated is not more able to support the increased mass of people than the former resources were to feed the then existing numbers. In other words, ten men have not grown rich by the rise of their income from R. 1000 to R. 10,000, but a thousand persons have appeared instead of ten, to live on the increased amount.

Moreover, under native custom, properties become subdivided and again subdivided, till their value is frittered away; the money-lender steps in, and land again begins to aggregate in the hands of a class alien to agricultural knowledge and interests. All these economical questions, interesting as they are, are necessarily beyond the scope of my book. I must only add the notorious fact that in well-managed Native States, where the revenue is double, perhaps four times as high as in the British districts, the people are apparently as prosperous: only that, to be sure, their power of transferring their land is very limited, and there are no pleaders and few law courts!





he is an enlightened man, but it depends on the *man*, not on the supposed security<sup>1</sup>.

Mr. J. R. Reid, Secretary to the Government, North-Western Provinces, giving his personal experience, wrote in 1873:—

‘According to theory one should find estates like these (permanently settled) in the most flourishing condition, with all manner of improvements introduced, and landlords very well to do, and most liberal to their tenants. But, in fact, in riding through these villages, and through the *parganas* generally, you would not detect anything in the appearance of the people and land, in the number of wells and other means of irrigation, the kind and look of the crops, the size of the houses, the air and condition of the people and cattle, to make you suspect that the (permanently-settled) land-owners enjoy a different tenure from their neighbours of similar caste<sup>2</sup> and condition in temporarily-settled estates. There is as much capital laid out and industry bestowed on the land in the one set of estates as in the other.’

I could multiply testimony to the same effect; but the fact does not really admit of dispute.

This matter of improvements is connected directly with another question, which is not usually noticed by the advocates of a permanent Settlement. Does any landholder really believe in or realize, *permanency*? For example, will any one seriously contend that, looking at all the ups and downs of history, a Zamindār in 1793 *realized* that the Government would last for ever, or even for a long period of years? Would not a promise of fixity for thirty or

<sup>1</sup> I would call attention to the curious case noted in the chapter on North-Western Provinces tenures, of the great improvements made by a Rājā of Benares, in the *pargana* of Bārā (Allahābad), of which he was merely the auction-purchaser at a sale for arrears of revenue in 1820. Not only was there no kind of permanence about his Settlement, but the question of inquiry into revenue sales was then in the air, and this very sale was ultimately

upset by the Special Commission, as an unjustifiable one. Yet the Rājā, during the years he held, made improvements on the most liberal scale, which doubled his rental.

<sup>2</sup> He mentions similarity of *caste*; because, for purposes of comparison, if the *caste* is altogether different, the result might be put down to that. Some *castes* are by nature good thrifty cultivators; others slovenly and bad; there is no ignoring the fact.



twenty years, even then, have seemed to him a period longer than he could count on? And at the present day, do the mass of unlettered but hard-working petty land-owners ever think of anything so remote as fifty years hence, still less realize the idea of permanency, and act upon it<sup>1</sup>?

But even if it were otherwise, what possible right has one Government to bind (and seriously embarrass) its successors for all time? The effect of a permanent Settlement is practically this, that the Government of the day selects a certain class of estate or a special province, and says—‘You shall never be called on to bear more than a certain share of the public burdens, no matter what your neighbours pay.’ Of course, I am aware that other, and especially indirect, taxes may be imposed, but practically, in Bengal for instance, what are they? It is a fair estimate to make, that at present, for no conceivable reason, the class of Bengal landlords is contributing (proportionately) to the public expenditure, less than one-third of what any one else pays<sup>2</sup>.

On the whole, therefore, it is impossible not to conclude that in theory, as binding future Governments and exempting certain classes from part of the burthen of taxation,

<sup>1</sup> As the Collector of Gorakhpur remarks ‘Revenue-free estates (in many the revenue is altogether remitted, be it remembered, *in perpetuity*) are as secure as they can be, but I do not find that this security adds to their selling value. Revenue-free and revenue-paying estates alike sell according to their immediate profits.’

<sup>2</sup> On this subject I may quote Mr. Justice H. S. Cunningham in an article on Indian Finance in the *Asiatic Quarterly Review* (April 1888). He says :—

‘The question has sometimes been asked whether a compact so inherently inequitable as the Permanent Settlement, can be maintained under the altered conditions of succeeding times . . . A certain expenditure being, in existing cir-

cumstances, indispensable, it must be paid by some class or other, and no historical justification can get rid of the essential injustice of an arrangement by which those who benefit most by the administration should contribute least to its cost.’

It is interesting to note that as early as Col. Wilks’ time (*The History of Mysore* was published about 1817) this aspect of a Permanent Settlement was not unperceived. Thus Col. Wilks wrote (*History*, p. 123), ‘An English Chancellor of the Exchequer who should presume to pledge the national faith to an unalterable tax, might captivate the multitude, but would be smiled at by the financiers of Europe; yet principles do not alter in traversing the ocean.’





and not applied universally, the declaration of a permanently fixed land-tax is inadmissible. Further, that in practice, a general, unchangeable, assessment has no advantages which are not equally to be secured by a *moderate assessment* for a fairly long term of years. What that term should be, depends on a variety of considerations, local, as well as of principle; and though a certain concurrence of practice has resulted in thirty years or twenty years as an usual period, Government has wisely refused, by either legislative enactment or otherwise, to stereotype any rule. The circumstances of the Central Provinces have only recently demonstrated that periods from twelve to twenty years for the new Settlements, will be practically the best.

As to imaginary or anticipated encouragements and advantages to agriculture, it is idle to refer to them in the face of nearly a century's experience of what *has* happened in provinces where the experiment has been tried, and tried under very favourable circumstances. It certainly is high time that this 'policy' should now be regarded as 'formally abandoned.'

## SECTION XII.—THE DEPARTMENT OF AGRICULTURE AND REVENUE.

Having thus sketched the development of the provincial land-revenue systems, the remainder of this 'General' chapter will deal, without reference to particular provinces (unless they are expressly named), with certain important matters of modern revenue-administration, which have of late years come into prominence—chiefly as the result of the inquiry into the whole subject of land-revenue administration which was made by the Famine Commission in 1879. It is hardly needed to point out that, except in limited tracts, the failure of the summer or autumn rains (as the case may be) brings famine as the great scourge of agricultural life in the Indian provinces. Serious famines



in 1866 and in 1877-78—not to speak of others—led to the most earnest desire, *first*, to perfect a system of organized relief when famine actually occurs, and for this purpose to compile ‘Famine Codes’ giving the results of experience as to what is to be done and how to do it; but still more (in the *second* place) to see what could be done to put the administration in a state of preparedness against the occurrence of bad years. To effect this object the entire land administration machinery had to be overhauled, and all agricultural conditions reviewed. If I were asked to summarise, in a few words, what has been the most useful outcome of the reforms recommended, I should say,—the perfection of the *local* official machinery and of the records of fact which their work makes available for administrative purposes.

Without this knowledge of facts, you cannot have the difficulties of re-settlement overcome; you cannot have famine warning; you cannot have any agricultural improvement; and you cannot have good revenue-administration.

In order, therefore, to organize agricultural inquiry and record, and to improve revenue-administration, two things were necessary. A series of *Provincial Departments* charged with this special business, and an Imperial Department to guide and direct the general aims of each local centre of administration, without, of course, derogating either from the responsibility or the power of the Local Governments. Provincial Departments require a systematizing and controlling head; their necessary supplement is an Imperial department; and it may be justly said that one is of little use without the other.

I do not undervalue the importance of the labour which has given us a *Famine Code*; but that is outside the scope of this manual. And therefore I may seem to ignore one part of the Famine Commissioners’ work, and only put forward what they intended to be a secondary object.

The Famine Commission was naturally more directly concerned with famine, its prevention and cure. It was





therefore proposed that the Agricultural Department in each province should have three primary objects,—agricultural inquiry, agricultural improvement, and organization of famine relief. But it is obvious that there are other duties which the Government, looking beyond the single subject of famine, must require. In the first place, famines are not universal, and are happily only occasional, even in provinces subject to them. There are some whole provinces (like Assam) and parts of others, where anything like real famine is hardly known; nevertheless, there is ample scope for an Agricultural Department. Moreover, ‘improvements in agriculture’ cannot be effected in a short time. Too great a zeal is apt to cost much and come to very little. Before we can ‘improve,’ we must have full information as to facts. *Agricultural inquiry must precede agricultural improvement.*

And agricultural inquiry is equally important for famine purposes. ‘The success of an Agricultural Department would mainly depend,’ said the Famine Commission, ‘on the completeness and accuracy with which agricultural and economic facts are collected in each village, and compiled in each subdivision and district throughout the country. Without a perfect system of local information, the warnings of approaching troubles are lost or misunderstood; and the liability of different parts of the district to calamity,—the weak points, on which a watchful eye has to be kept, are not known; and relief, in the shape of remissions and suspensions of the revenue demand, even when there is no widespread famine, is apt to be given imperfectly and with the least benefit.’

The branch of reform which it comes within my province to speak of, is therefore one which is by no means of secondary importance.





§ 1. *The Imperial Department of Revenue and Agriculture.*

An Imperial Department of Revenue and Agriculture had for some years past been in contemplation; and under Lord Mayo's viceroyalty one had been formed in 1870. But this was abolished in 1876<sup>1</sup>, partly for financial reasons and partly because the measure was not successful, owing to its not being supported by corresponding departments in each province. It became, in fact, only an additional Secretarial Department, with a miscellaneous burden of public business; so far relieving other offices, but not effecting its own special object, because it had no corresponding machinery under each local government to give effect to its recommendations.

Sir John Strachey, however, when Lieutenant-Governor of the North-West Provinces in 1875, formed a local department on a new basis. The principle of action was that which I have already briefly indicated as the necessary preliminary, as well as the complement, to any direct method of preventing and remedying famines. The credit of clearly perceiving this principle and applying it in practice, is due to Mr. E. C. (now SIR EDWARD) BUCK, then serving under the North-West Provinces Government. The attention of the Revenue officers was directed first to the perfecting of the Land-Records and Agricultural Statistics, while agricultural improvement was kept in mind as a secondary, or

<sup>1</sup> The causes of failure are briefly alluded to in § 2 of the Resolution (Government of India) of 8th December, 1881. An undue amount and variety of subjects was thrown on the new Department; but what really prevented it effecting its special object, was the fact that no agency existed in the provinces with similar objects.

It was not till the discussion of the Famine Commissioners' Report, in 1880, that the scheme was again considered under better auspices. The branches of work actually taken up by the Revenue and Agricultural

Department are—

- Revenue.
- Agriculture.
- Famine.
- Fibres and Silk.
- Cattle-Breeding and Cattle-Disease.
- Meteorology.
- Fisheries.
- Minerals.
- Museums and Exhibitions.
- Land-Trade and Agricultural Statistics.
- Surveys (including Geological).
- Emigration.
- General.





rather as a subsequent object. This may not be the most popular, but it is certainly the only practical ideal of an Agricultural Department in the present state of affairs. The maintenance of maps and land-records in a state of continuous correctness, not only leads to economy in the future, and facilitates re-assessment of the revenue, but provides a useful basis of agricultural statistics, and a knowledge of the peculiarities of the different districts. Without these, agricultural improvement cannot be attempted; it would be working in the dark, and spending money in vain on experiments that had no basis to start from.

The success of the system in the North-West Provinces has been marked; and when action was taken on the Famine Commissioners' Report, it was wisely determined to organize for each province a department on the same basis. The Imperial Department could now be reconstructed with every prospect of permanent utility, and the sanction of the Home Government was accordingly given; naturally Sir EDWARD BUCK was selected to be the first head<sup>1</sup>.

The Imperial Department pays primary attention to the Land Administration, and to improving the system of assessing and collecting the land-revenue in each province. But the department is not unmindful of agricultural improvement, the introduction of valuable staples, the development of trade in Indian products, and the conduct of useful experiments in cultivation. It will, of course, supervise operations connected with famines when they occur. But the chief feature in the new arrangement has been the utilization, under efficient control, of the local agency in each village, for the purpose of maintaining maps, statistics, and records, correct and up to date each

<sup>1</sup> The head of the Department is, officially, one of the Secretaries to the Government of India (Department of Revenue and Agriculture). This plan was preferred to appointing a 'Director' of the Department. The Secretary is enabled, however,

to spend part of his time on tour, and thus can arrange on the spot, or in conference with the local authorities, many matters that could not be so quickly or so well disposed of by correspondence.





year. The economy thus effected in the cost of Settlements has been estimated<sup>1</sup> to have already secured a saving of two hundred *lakhs* of rupees; and it is likely to realize, in the future, an annual saving of from twelve to sixteen *lakhs*.

## § 2. *The Provincial Departments.*

In order to emphasize the importance of that part of the scheme which is directed to perfecting, and keeping correct, the Agricultural and Land-Records, it was officially determined that the heads of the Provincial Departments should be called 'Directors of Land-Records and Agriculture<sup>2</sup>.' The departments have many other duties which I cannot here describe, and which, of course, must vary according to the requirements and local conditions of the several provinces. The conduct of agricultural experiments, the care of veterinary schools, and model farms (where these exist), are among the most obvious<sup>3</sup>.

The Resolution of the Government of India (8th December, 1881, on Agricultural Departments) concludes:—

'The views of the Government of India may be summed up by saying that the foundation of the work of an Indian Agricultural Department should be the accurate investigation of facts, with a view of ascertaining what administrative course is necessary to preserve the stability of agricultural operations.

<sup>1</sup> See the Finance Members' Budget Speech (1888) in the *Gazette of India*. The *lakh*, I may remind English readers, is 100,000,—a lakh of rupees is £10,000 conventionally, i.e. if the rupee is two shillings.

<sup>2</sup> Resolution (Government of India) Financial No. 608, dated 9th February, 1887.

<sup>3</sup> The establishment of Agricultural Departments had not long proceeded before a financial inquiry was made as to whether they would be successful. Fortunately, this has resulted in a satisfactory verdict. But, in fact, these Departments are defensible in the highest degree, on their own merits. The 'District Officer' has, by the legislation of

the last twenty years, had an almost continually increasing burden thrown upon him; and the Land-Records Department gave sorely-needed relief and help in a matter of peculiar importance. In discussing the financial question, such a consideration is necessarily left out of sight; but if the Agricultural Departments resulted in less saving than is actually the case, the enormous good done by the improvement of land records would amply justify their existence. I know of no one administrative measure of greater benefit to the country than the establishment of these Departments.





The primary efforts of the Department should . . . be devoted to the organization of agricultural inquiry, which has been shown to comprise the duties of gauging the stability of agricultural operations in every part of a province, of classifying the areas of the province according to the results of careful investigation, and of deciding what method of administrative treatment is suitable to each so as to maintain agricultural operations at the highest standard of efficiency possible under present conditions. . . . From a system . . . of inquiry thus conducted will follow the gradual development of agricultural improvement.<sup>1</sup>

### SECTION XIII.—REFORM IN PROCEDURE FOR RE-SETTLEMENTS.

The establishment of Agricultural and Land-Record Departments, it is hardly too much to say, alone rendered the real simplification of the Settlement work of the present and future possible.

Already, by Resolution in October 1881<sup>1</sup>, the Government of India had called attention to the fact that when the Settlements fell in, it did not follow that a re-settlement, in any shape, was to be undertaken as a matter of course. The sanction of the Government of India was required to new Settlement operations; and it was to be considered, in all cases, whether any such increase in the revenue was probable as would make it worth while to undertake them. Four points were especially to be noted—the probable cost of the operations, the time they would take, the increment of revenue expected, and the incidence of the existing revenue on the individual landholders.

If there could be no increase (or less than one which represented a profitable rate of interest on the total anticipated expenditure), revision should ordinarily not be

<sup>1</sup> No. 144, dated 4th October, 1881. It did not apply to the Governments of Bombay and Madras; though of

course similar principles would be recognized in those presidencies.



undertaken, unless, indeed, a revision was needed because of the inequality of incidence of the last assessment.

### § 1. *New System of Land Records and their Maintenance.*

But this 'Resolution' only touched the fringe of the subject. The whole question of re-settlements, and the means of reducing their cost, and depriving them of all their inconveniences to the district population, is one of such importance that it is desirable to explain at some length how the work of the Land-Record Departments affects it. The sketch given in preceding sections will have shown how very gradually the work of assessment has been reduced to a method, or rather to different methods, suited to the varying circumstances of each province. There remained still the difficulty that, however 'scientific' the method, hitherto the work of a new Settlement has been very costly and very troublesome; and the more elaborate the method, the more costly and prolonged the operations. The difficulty arose from the fact that it has hitherto been unavoidable, in making a Settlement, to have a special staff of Surveyors and Settlement Officers, with all their subordinates and office staff, to record facts, compile statistics, fair out records, and so forth. Such a staff, in the nature of things, during the whole of its stay, harasses the people not a little<sup>1</sup>, and it upsets all the regular work in '*tahsils*' and of the *kánungos* and *patwáris*. But suppose that at last the work is at an end; the Settlement records are all faired out and bound in volumes, and the maps mounted; the originals are deposited in the Collector's Revenue Record Office; the copies disposed of at the *tahsíl* and in the *patwári's* office or '*patwár-khána*' in the village. How soon these records, correct as they may have been at a given

<sup>1</sup> To say nothing of the petty demands that subordinate officials always make when they are in camp, in the shape of supplies, grass, firewood, and such like; even if the foolish landholders do not think it

necessary to pay fees and *douceurs* to secure more or less imaginary benefits. It is impossible wholly to prevent such things, when the entire population practises and tolerates them.





date, cease to correspond with facts! New fields are added to the cultivated area out of the waste; old fields change shape or boundary; they are aggregated or divided. New wells are sunk, new roadways are substituted for old ones, and many other such changes take place. Then, again, proprietors are continually altering; a certain number of sales are notified, and the usual applications for mutation of names are made and allowed; but whether the fact has ever found its way into any such record that the Settlement list could be corrected, is another matter. The result of all this (and much more could be said if space permitted) is that, hitherto, when the thirty years (let us suppose) of Settlement expired, the whole of the records, prepared originally with so much care, have proved out of date, and more or less useless. There is, then, nothing for it but to re-survey the whole area, and to make out fresh maps and records, putting the whole district once more—for several years—into the state of unrest already described, to the great detriment of agriculture, as well as of administrative and social well-being.

If only the separate records could be abolished; if only a certain set of necessary papers—the large scale-map showing every field and every detail of the estate, the index-register to this; the list of proprietors, their shares and interests, and the revenue they pay; the list of tenants and their rents; and any such supplemental statistics as local rules might require,—if only these could be placed in the hands of a village patwári, tested and signed as correct up to a given date, viz. the commencement of a new Settlement; and if thenceforward these maps and statements could be continually corrected, fresh fields plotted in, and statements periodically recopied and kept up to date; when the term of Settlement expired, the 'Record-of-rights' would be found as correct and conformable to facts as when it began. Then the Collector himself, or perhaps a specially-deputed officer, could soon make out the necessary schedules for revising the assessment, and the 're-settlement' would be over.



But to secure such an ideal procedure, several things are necessary. First, the staff of village *patwārís* and inspecting *kánúngos* must be well taught and made competent to do the survey work that the maintenance of village maps involves. Next, their work must be continually inspected, tested, and corrected, till the machine works without friction and failure.

Next, the rules for assessment, applicable to future revisions, must be reduced to the greatest simplicity.

The first of the steps above indicated has everywhere been taken. Schools have been opened for the instruction of *patwārís* and their sons in surveying and other necessary branches of education. The whole staff has been graded and organized, and rules made for its appointment and control.

Speaking generally, each *patwári* has a circle of three or four villages, and the inspecting officers or *kánúngos* are continually moving about and testing the measurements and the accuracy of entries in the books made by the *patwári*. There is also what is called a *Registrar kánúngo*, at the head-quarters of the *tahsíl* or local subdivision, who keeps the books and compiles the village returns into corresponding subdivisional returns. To give a general idea of how the village staff is manned and supervised, it may be mentioned that in the North-West Provinces (excluding Oudh) the number of *patwārís* is about 20,000, the field inspectors or *kánúngos* number 450, or one to every 45 *patwārís*. The average area of a *patwári's* circle is 1,130 acres (cultivated), so that the local inspecting officer looks after above 50,000 cultivated acres; the whole establishment costs somewhat more than 23.75 lakhs of rupees, the reorganized establishments and their supervision costing about two lakhs more than the old establishment of *patwārís* and *kánúngos*.

It will be seen, then, how this improvement will increasingly render possible the greatest reform of all in re-settlement operations,—namely, the carrying out of revision operations without an elaborate re-valuation of





lands, and by the aid of the ordinary district staff, with the smallest possible addition of special establishments. Instead of having elaborate volumes of special records, prepared and put into an office to become totally useless at the end of thirty years, and another set of village and pargana accounts increasingly out of correspondence with the first, we shall have one set of simple maps and records attested as correct for a given date and thenceforward kept up, because papers in exactly the same forms will be in the hands of the staff to be continually corrected from day to day<sup>1</sup>.

I need only add, that the records will not only help the work of revision of Settlement; they will affect every branch of revenue-administration, for they will, in time, put us in possession of what I may call *analytical knowledge of the districts*; the knowledge, as regards each estate and group of lands, whether it is fully developed, well cultivated, and secure from famine, or only partially so, and what estates must be treated as 'precarious.' This knowledge will be the very key to famine prevention and relief, as well as to management of estates in the matter of granting timely suspensions and remissions of revenue in bad years, and to the adoption of a more elastic system of

<sup>1</sup> This is what Sir Alfred Lyall wrote on the subject:—

'It is hoped that, under the regular inspection and supervision now given from year to year by the district establishment, and subject to certain checks and corrections, a body of statistics can, during the currency of existing Settlements, be got ready for each estate, upon which, without minute inquiry, a summary and fairly accurate estimate of the rental assets might be made. This system would, it is thought, provide the best possible method of securing for Government its full share of enhanced rentals. It would, moreover, provide, from time to time, for a tolerably equal distribution of the land-tax, a point on the propriety and expediency of which much stress is laid by those

consulted. It would put an end, in districts already properly settled, to all formal and minute valuations of the land; it would, in great measure, do away with the systematic enhancements and levelling up of rents that formed part of the duty of the Settlement Officer, and by the keeping up, along with the other statistics, of a careful record of improvements made by landlords and cultivators, the profits of these improvements might be secured to them. The body of statistics under collection from year to year could at any time be made open to the scrutiny of the proprietors of the land, who might thereby be able to forecast, with a certain degree of assurance, the revenue for which they would become liable.'





fluctuating assessments for precarious tracts, and, ultimately, to really beneficial schemes of agricultural improvement.

§ 2. *The principles of reassessment or revision of Land-Revenue.*

The Government of India, on the 17th October, 1882, issued a Resolution indicating certain principles on which re-assessments should be made. I wish to state the plan propounded as a whole, but at once premising that it was a tentative proposal, and has not been adopted in its entirety. The original scheme was (1) that *enhancements* of revenue should only be allowed on the ground of—

- (a) rise in prices,
- (b) increase in cultivation,
- (c) improvements made at Government expense.

This proposal eliminated, as a general rule, *all fresh attempts to value land*. The fact is, the majority of districts have been thoroughly surveyed, and soils classified; and if the local establishment do their duty in keeping the Records, and the maps on which they are based, up to date in the manner above described, there should be only in exceptional cases any necessity for further valuation.

The 'rise in prices' principle (a) was to be applied with two very important limitations. In the first place, to guard against the effect of small or uncertain fluctuations, small rises of prices were to be disregarded; nor need the enhancement be in full proportion to the rise, but so as to leave a margin with a view to meeting any increase in the cost of agriculture, and of providing for a rise in the standard of living.

In the second place, enhancement, on the ground of rise in prices, was also to be limited to fifteen per cent. on the former rate.

For the purpose of calculating prices, years of scarcity were to be eliminated, for prices are then abnormal. Certain staples and certain market localities, it was suggested,





might be taken for the purposes of calculation, and the prices of, say, the decade before the current Settlement, should be compared with those of the concluding decade.

(2) In order to give landowners immediate assurance of their future position, an assessment should, except in backward districts, be declared for each estate as soon as possible, which the Resolution called the 'initial assessment,' which should not be altered when the re-settlement began, except on one or more of the above grounds.

This point has, however (in particular) been given up, as it was found impracticable.

(3) That measures should be taken to secure to tenants the same protection against enhancement of their rents, as would be offered to landlords in respect of the revenue.

These proposals were generally and in principle agreed to by the Governments of Madras and Bombay. In the North-Western Provinces, however, they met with elaborate criticism; and the Secretary of State<sup>1</sup>, while approving the general object of the Resolution, also felt doubts about the details.

The arguments about the inequality of the incidence of the revenue-demand under existing Settlements, and therefore the difficulty of fixing an 'initial assessment,' may be passed over, as this portion of the scheme stands abandoned.

The principal objection in the North-Western Provinces, was on the question of enhancing solely with reference to *rise in prices*. It must be admitted at once that the application of the principle of a rise in prices is easier in a *raiayatwari* province, or in the Panjáb, where the revenue approximates more to a money sum representing a share in the produce obtained by the cultivating proprietor. But in the North-Western Provinces the land is cultivated by cash-paying tenants, and the revenue is now a certain share of the rental; and the objection was

<sup>1</sup> No. 24, dated 22nd March, 1883.





stated that in the North-Western Provinces 'prices do not affect rents immediately or otherwise than at long intervals.' Under any circumstances, the prices looked to should be prices at the *pargana capital*, where produce is sold by agriculturists; and harvest prices, not averages of other months, should be taken. It was also urged that rises in prices could not be counted on as permanent, and that if they fell naturally after a revision made on the strength of what appeared at the time, there would be no remedy but to resort to remissions of the revenue, which would be unsatisfactory.

There were minor objections, such as that the system would benefit different tracts unevenly, and that in consequence of the varying proportion of staples in different tracts, there would be some difficulty in adjusting any calculation of what the rise in prices was, which would be fair to all. The Government of India admitted that any rise in prices counted on ought to be widespread; that it was not to be one affecting small areas but whole provinces, while it would be easy to allow for an additional demand on any particular district or tract where a new railway or canal had produced a durable and marked local effect on prices. It was also admitted that the difficulty about existing rents not following prices, was a serious one; but reference was made to a possible change in the tenant law, by which enhancements would necessarily be brought about almost wholly with reference to prices; and if so, revenue enhancement would follow the same rule<sup>1</sup>.

<sup>1</sup> Briefly, I may explain that in the North-West Provinces, occupancy-tenants' rents are in practice enhanced only on the first of the grounds allowed by the law (Section 13, Act XII of 1881); i. e. they are enhanced up to the 'prevailing' rate, which, in effect, is the rate assumed as fair by the Settlement Officer in his calculations. Occupancy-tenants must now have held the same land in the village for twelve years, therefore they are a minority; and the ordinary tenant

is, by competition, paying more than the 'prevailing' rates, as above explained. But should the law be changed to allow all tenants having held any land in the village for twelve years, to claim occupancy, then the majority would become occupancy-tenants, of whom the older ones would soon become equalised as to rates, and the new ones would be already paying above these rates; so that the application for enhancement on the ground that the 'tenant was paying below





It is unnecessary to go into the subject further, as there is no present prospect of the tenant law of the North-Western Provinces being altered so as largely to increase the number of occupancy-tenants.

§ 3. *The present state of the question.*

In a despatch of 16th August, 1884 (No. 16), the Government of India reviewed the objections of the North-Western Provinces, and informed the Secretary of State that they had abandoned the plan of framing initial revenue assessments, and they continued:—

‘We shall have no objection in the more recently assessed districts, to the entire exclusion of new land from assessment on any estate in which the increase could be proved to be below a certain percentage. We would divide *districts*, not estates, into two classes:

- ‘(1) those in which the revenue is fairly adequate, which would include the majority of districts assessed within the last twenty years; and
- ‘(2) those earlier assessed districts in which rentals have considerably outgrown the revenue.

‘The *latter* should be re-assessed according to the method proposed by Sir A. Lyall (Lieutenant-Governor of the North-Western Provinces) [i. e. the latest Settlement rules under which the *actual* rent-rolls, corrected only to supply positive errors, and to give rents for non-rented land liable to assessment, without prospective and calculated additions, are made use of]. The *former* (should be re-assessed) on the principles stated in our first despatch, subject to the modifications now suggested; one of the conditions would be the fifteen per cent. maximum (enhancement). The rise in prices would be determined primarily by a consideration of the prices in the whole province, subject, perhaps, to a further scrutiny in particular districts of the effect on them of improved communications.’

The Secretary of State replied in a despatch (No. 4, Revenue) of 8th January, 1885. It was observed generally

the “prevailing rate” for other tenants of the same class, &c., would cease to be operative, and then the second ground allowed by the tenant law—rise in prices—would be the chief one.





that some of the objections to the original scheme were admitted, and that others depended for their removal on an alteration of the tenant law, which was not regarded as practicable; but that much remained which might be usefully carried into practice. As the despatch gives the final orders on the subject, I may now sum up both the discussions which I have been describing, and the general subject of the *latest rules for the simplification of the procedure in the re-settlements*, by giving the actual principles sanctioned:—

- (1) The permanent Settlement idea is formally abandoned;
- (2) the State shall still retain its claim to share in 'the unearned increment' of the value of land to which there is a tendency in a progressive country;
- (3) that a general and permanent rise in the prices of produce is one of the principal indications and measures of this increment;
- (4) that it is nevertheless desirable to modify the existing system of revision of the temporary settlements of land-revenue with a view of rendering it less arbitrary, uncertain, and troublesome to the people;
- (5) that the modification should be effected at least in the following particulars:—
  - (a) repetition of field operations (survey, valuation, minute inquiries into assets, and the like) which are considered to be inquisitorial and harassing to the people, should be, as far as possible, dispensed with;
  - (b) enhancement should be based mainly on considerations of general increase in the value of land;
  - (c) the assessment will not be revised *merely* with a view to equalizing its incidence with that of the assessment of other estates;
  - (d) improvements made by the land-holders themselves should not be taken into account in revising as-





assessments; but improvements made at the cost of the State should be taken into account, and also, to some extent, increase of cultivation.

As regards more detailed rules, the Secretary of State observed :—

‘It is not desirable that I should attempt to lay down, for the guidance of the Local Governments, rules for the revision of Settlements. But I may state the general principles upon which, in my opinion, such operations should be conducted, subject to the conditions specified’ [viz. the Nos. 1 to 5 above given].

‘All tracts (whether whole districts or parts) which were in a backward condition [when the existing assessments were framed, and where the subsequent process of development has produced inequalities so great and numerous as to make the application of any general uniform rate of enhancement unadvisable and unfair<sup>1</sup>] will be excluded from the scheme, because the present assessment would evidently afford no proper basis for the future assessment. These tracts must be left for regular [re-]settlement.

‘As regards other localities, when a Settlement is about to expire, a summary inquiry should be made into the condition and resources of the tract . . . and upon the results of this inquiry the Local Government, with the approval of the Government of India, should determine the general rate of enhancement to be applied to the tract. The factors to be taken into consideration would be, general rise in agricultural prices, in actual rentals, and in letting-value and sale-price of land; and care would, of course, be taken, that the increment determined on should be such as would not unduly raise the revenue, certainly not in any case beyond fifty per cent. of the “apparent assets” [i.e. the assets obtained by consideration of the factors above mentioned, of which the ‘actual rental’ was the amount which the assessing officer, on a consideration of the estate or tract, was led to consider the *proper actual rental*<sup>2</sup>].

<sup>1</sup> This explanation was approved by the Secretary of State in a later despatch.

<sup>2</sup> The term in the despatch is ‘apparent assets,’ which was explained to mean what I have put in brackets; the proper ‘actual

rental’ does not include, be it remembered, any prospective rise in rent or (in this class of estate) any increase in the cultivated area (Revenue Despatch, Secretary of State, No. 65, dated 30th July, 1885).





'There is no necessity for determining beforehand what shall constitute the unit of area . . . to which the same rate of increment will apply. That must depend on local conditions. It might be a whole district, or, when the conditions of progress vary, different sections of it. Within that area, the rate of increment, as determined by the Local Government, would, as a rule, be applied by the Settlement officer rateably all round. But it should be in his discretion to treat special cases exceptionally. There may be tracts, or groups of estates, to which a rate higher than the average rate should be applied, —such, for example, as have benefited by improvements made at the expense of Government, or where there has been an unusual increase of cultivation or rise of rental. There may very probably, on the other hand, be estates in which, from over-assessment or other cause, it may not be expedient to take the whole increase, or any part of it, or in which possibly even a reduction of the existing demand may be expedient. And objecting proprietors might have the option . . . of a regular revision.'

The practice now is, under these orders, to draw up a programme of Settlement work with reference to supervision of survey operations and other considerations; and the Government lays down instructions for the Settlement of each district<sup>1</sup>.

<sup>1</sup> For example, I may abstract the 'Jalaun' district instructions (December, 1884) in a few words:—

1. No new survey or soil-classification or records (except in seventeen villages for special reasons).

2. Revision to be an actual recorded rent-roll corrected (1) to put a rent on 'sir'; (2) to correct fraudulent concealments of rent; (3) correct rent for fields held rent-free or at 'manifestly inadequate' rents. The actual rentals to be average of six years (from 1878–1883–4). Instructions go on to explain how the rent-rolls should be verified, and it should be tested what area really is 'sir,' and what

held by tenants of this class and that; what is to be done when a particular village has a fraudulent or wholly inaccurate rent-roll. Observations are added about fraudulently inadequate rates as distinguished from those allowed at favourable rates on customary grounds; and about determining the area that is really 'sir.' The question of 'imposing fixed maxima of enhancement' is reserved.

The Government of the North-Western Provinces have also issued general rules for assessment (under Act XIX of 1873), which I have spoken of in detail in the chapters on the North-Western Provinces.



§ 4. *Instalments of Land-Revenue.*

Another subject of consideration has been the fixing of the most convenient dates for the payment of the Government revenue. This payment could not be conveniently made in one sum for the year, nor on any purely calendar arrangement of quarter-days, &c. In some Settlements it is expressly provided that it shall be paid in a certain way. It is obvious that this matter requires attention, and that the power of the people to pay without difficulty, largely depends on the suitableness of the time of demand.

In places where the revenue-payers are landlords or employers of tenants, their power of payment depends on their first having time to collect their rents. And in its turn this depends on the power of the cultivators to find the money for the rents. Rent, again, cannot be paid till the harvest is realized; and this condition applies also to the *raiyat*, who pays revenue direct to the State, and to the petty cultivating proprietor who does the same, indirectly.

Here there are usually two harvests to be considered; some pay most of their revenue from the 'rabi,' or spring harvest; others, from the autumn, or 'kharif'; others part from both. If a principal part is demanded when the harvest relied on is not yet got in, the payer must borrow the money at high interest; and though, when the produce is presently sold, he may pay back to the money-lender a portion of the debt, he will not be able to repay the whole. If, on the other hand, the date for payment is so fixed that the cultivator has got in his money by sale of his produce, and yet the village headman will not receive it, he is very likely to spend this sum, or lose it in some way, before the time comes for the revenue payment<sup>1</sup>.

<sup>1</sup> In a very able paper on Instalments in Berar, Mr. W. B. Jones mentions the difficulty of getting into the districts the requisite amount of silver money to pay the revenue:—

'It is the weak point in our

system that by concentrating the payments of land-revenue on one or two dates, it adds enormously to the difficulties of the cultivator. For a small province like Berar to pay thirty lakhs of silver rupees into the treasury on the 15th Janu-





On this important subject the Government of India issued a Resolution (No. 15 R., dated 3rd May, 1882).

The leading idea is to establish a 'normal proportion between the amount of revenue collected and the amount of produce gathered at harvest'—to establish a closer connection between current liabilities and current assets<sup>1</sup>. And it is not only for whole districts that this has to be seen to; agricultural circumstances vary within much more limited tracts. 'Attention has lately been drawn to the case of three adjacent villages, in one of which the cash of the agricultural community is principally obtained from rice at the end of the rainy season; in the second, from a sugar-harvest in January; in the third, from cereals in spring. Yet for all these villages the same dates were fixed for the payment of rent and revenue.' Attention was also drawn to the matter I have alluded to in a footnote: 'The sudden demand for large quantities of silver money on certain dates, causes prices to fall (because of the withdrawal of silver) while the rate of interest rises; grain has to be thrown into a slackened market, and loans must be negotiated on usurious terms.'

The result has been to call for an inquiry in each province as to the practice. The North-Western Provinces Government has issued rules on the subject.

ary, and thirty lakhs on the 15th March, is a stupendous financial operation—an operation which causes violent fluctuations in the price of produce—fluctuations which give the *baniya* (grain-dealer and money-lender) his opportunities. If we could but make these vast sums flow into the treasury in equal monthly amounts, the benefit to the cultivating classes would be great indeed. For they would then be able to raise the loans they require to pay the revenue at the true market rate. As things now are, the enormous demand which takes place all at once, enables, I might almost say compels, the *baniya* to ask exorbitant interest.'

<sup>1</sup> The Famine Commissioners re-

mark (*Report*, Part II, Chap. iii, Sec. 3. § 2):—

'Where one crop is mostly reserved for food, and another mostly sold, if the circumstances of the people require it, larger instalments should be made payable upon the crop which is raised for the market, and smaller instalments upon that which is raised for food. The dates for payment should also be fixed so as to allow of the produce being harvested and sold before the instalment is collected, so as to avoid the losses which the landowner would suffer if he were compelled to raise money on an unripe crop, or sell it hastily in an overstocked market.'



SECTION XIV.—REMISSION AND SUSPENSION OF  
LAND-REVENUE.§ 1. *Suspension—when sufficient, and when not.*

Another subject of great importance is the granting of relief when a bad year, or a succession of bad years, occurs.

Ordinarily, the revenue is calculated at rates which are fair for the average of years, good and bad together; so that, speaking generally, if one crop fails outright, but the next is good, the cultivator ought to be sufficiently relieved by the *suspension* of the demand for the instalment of one crop, payment being demanded only on the occurrence of the *second* of two successive good harvests. But sometimes there comes a more serious calamity, and suspended revenue has to be remitted altogether. This causes disturbance in the estimates, which is often embarrassing.

§ 2. *General considerations.*

The principle of the Native governments, which cared nothing about estimates and financial equilibrium, was always to be elastic; they ran up the nominal revenue to a high figure, which they perhaps rarely exacted to the full. But, from the first, our system has been to fix a very moderate revenue, and demand an exact payment; failing this, in Bengal, the sale of the estate is at once ordered, and in other provinces, various coercive measures.

Fortunately the progress of the country has been such, that the land-revenue is collected with remarkable facility, and the issue of coercive processes is mostly confined to the minor forms—mere notices or threats to the careless, rather than serious action against defaulters; but still there is a rigidity about our system that, whatever its justification, is not always acceptable to the Oriental mind<sup>1</sup>.

<sup>1</sup> The following remarks in the BANDA Settlement Report (p. 150) by Mr. A. Cadell struck me:—

‘Our system of Settlement and land-revenue collection is logically a good one, and is theoretically





There is also much difficulty in dealing with districts—of which Gurgáon in the Panjáb occurs to me as an example—where, sometimes for three or four years together, if there is a sufficient rainfall, the qualities of the prevalent soils are such, that excellent, and more than excellent, crops are obtained. Then come a series of bad years: the rain fails, and lands that were before fertilized by a deposit of soil washed down from the low hills (*dahrí*), are left untilled: or again, if rain is in irregular excess, they may be over-flooded and water-logged. Unless we adopt variable or fluctuating rates, *any* fixed assessment can hardly work. If it is very low, it will sacrifice revenue needlessly in good years; and in bad years, even then it will not be easily, if at all, paid. It seems hardly possible to manage such areas, except on the plan of allowing the *Collector a power of immediate action in bad years*. In this matter, we should take a lesson from the best Native governments. It will be seen that their principle was always to keep up the assessment pretty high, but allow of an immediately-acting and thoroughly elastic system of easing off in bad years. Our system, it is true, tends to make the land-revenue par-take, somewhat, of the nature of a *tax*; and rigidity and certainty are the necessary features of a proper tax-administration: they have their advantage in compelling thrift and habits of forethought. But land-revenue is not wholly a tax, and cannot be effectively treated wholly on the principles of one.

just and fair; we fix a demand based neither on the abundance of good seasons nor on the poverty of bad; we argue that the proprietor who gets more than his due in bumper seasons can afford to pay more than his half share of the rental in unfavourable years. But, unhappily, it is as true now as it was sixty years ago when Mr. Holt Mackenzie made the remark, that "men, especially men so improvident as the natives of India, do not live by averages"; and the attempt

to collect a revenue, in itself not excessive, through good years and through bad, has been the great motive of the irregularities which in Bundélkhand, more than elsewhere, have disgraced our administration. Theorists may argue that if men do not put by money in good seasons they deserve no mercy; but the same argument pushed a little further would condemn the improvident to death as well as ruin, when the next period of scarcity arrives.'



§ 3. *Government orders on the subject.*

The Government of India's Resolution issued on the subject in October, 1882, was intended to indicate the lines of a policy rather than issue hard-and-fast orders. It suggested that, in order to enable the Government officers to know how to act, and in order to systematize knowledge, five principal measures should be taken in hand:—

- (1) the classification of agricultural land according to the security or insecurity of its yield;
- (2) the adaptation of the system to the character of each class;
- (3) the extension of relief granted to landlords, to the tenant class also;
- (4) an investigation into the outturn of every harvest;
- (5) the making more definite the authority of local officers to act at once.

It was suggested that estates (and even parts of estates might require to be noted in this respect) should be classified into those (1) which are, to a great extent, *secure* against failure of crops, by having a fair proportion of their area irrigated; (2) those in which, in abnormal seasons, suspensions, or ultimately remissions, are likely to be needed (called *insecure* areas); (3) areas in which cultivation is so uncertain in its result as to render an annual adjustment requisite: these may be termed 'fluctuating areas.'

As to the first and fourth measures noted above, it is sufficient to remark that the improved land records and statistics, subject as they are to constant inspection and testing, ought in time to secure good results, whether in the form of village and pargana note-books, containing an account of each estate, or in the form of specially-coloured maps and tabulated lists of villages and estates,—as provincial circumstances may suggest. The second head indicates that in 'secure' estates, suspensions or remissions would only become necessary in the rare case of some special plague of locusts, hail, or other calamity. 'Insecure' areas would





require a ready power of suspension, which has to be systematized by indicating the duty of the District Officer and the Commissioner, and their respective powers to act on their own authority; defining the cases in which reference to the chief controlling authority and to Government is requisite<sup>1</sup>.

Whether suspension is temporarily granted, or is more formally sanctioned for a definite period under orders of higher authority, the ultimate grant of *remission* depends on the orders of Government; and where the remission aggregates ten per cent. of the entire land-revenue of the province, the previous sanction of the Government of India is required.

#### § 4. *Fluctuating Assessments.*

The plans for 'fluctuating assessment' vary according to circumstances. In principle they proceed more or less on the lines of assessing at fixed *average rates* (for different qualities of soil), and charging those rates only when, after the crop is or ought to be mature, it is known what acreage was actually productive. An account of a special 'fluctuating system,' applied in the recent Settlement, will be found in the chapter on Ajmer-Merwára.

In several parts of the Panjáb, including riverain villages liable to violent and extensive changes by river action, as well as tracts liable to flood or where the rainfall is extremely small and uncertain, fluctuating assessments are also employed. Speaking generally, the basis of the method is, to fix certain differential rates for classes of land bearing crops, which rates are levied on an annual (or a harvest) measurement of the land which actually bore a crop. Partial failure in the yield is allowed for by deduction in the total. Newly cultivated land is always

<sup>1</sup> A certain graduated scale of powers, according to the greater or less fraction of the crop lost, was suggested, but is too much in detail to be practised. The rules under

which Collectors and other officers can act in the North-Western Provinces are stated in the special chapter on Administrative business.





allowed a reduction for the first year or two. In some cases, besides the fluctuating rate, a small fixed acreage rate is levied on account of the value which the land has as waste or grazing ground even when not cultivated.

### § 5. *Relief to Tenants.*

As regards the benefit of revenue relief granted to landlords being passed on to tenants, that is a matter which is provided for in some of the Tenant Acts<sup>1</sup>, and is then a question of law; otherwise it may be a matter of conditions annexed to the grant of the relief.

It may be added that the Secretary of State has decided against the principle of charging *interest* on revenue dues *suspended*.

## SECTION XV.—CONCLUSION.

### *Conspectus of the Systems.*

I conclude this introductory and general sketch, first with a diagram which will recall the chief features of the development of our revenue systems, and next with a table taken from the Government of India's printed 'Statistical Returns, 1886-87,' which will give some idea of the general effect and results of land-revenue Settlements.

As an *appendix* to the chapter, I also reproduce an able and instructive *résumé* of the financial aspects of Settlement work contained in the Honourable J. Westland's Budget Note for 1888-89<sup>2</sup>.

<sup>1</sup> See, for example, Section 23, Act XII of 1881; Act IX of 1883, Sections 65 and 73.

<sup>2</sup> I may remind the reader that, to save useless printing of figures,

it is customary to print not 'Rupees' but 'Rx,' i.e. ten rupees, and then to omit *three cyphers*. So the Rx 27 means 2,70,000 rupees.



(A.)—SETTLEMENT WITH  
LANDLORDS, OR JOINT-  
BODIES.

The Bengal system of 1790-93 (seeks to declare some person to be landlord or proprietor, and secure his position, between the cultivator and the State).

*Permanent Settlement* with Zamindárs as proprietors, (1793,) with no survey, no record of rights, and no defined method of assessment.

Improved system of Regulation VII of 1822 and Regulation IX of 1833; non-permanent Settlements with survey and record of rights and prescribed method of assessment.

Settlement with *proprietary joint communities*, through a representative; North-Western Provinces: the Panjáb and Ajmer.

Settlement with *Taluqdárs* over the communities; Oudh.

Settlement with *mālguzárs* over the individual occupants of villages; Central Provinces. Tenants' rents fixed as well as the proprietor's revenue payments by the Settlement-officer.

(B.)—SETTLEMENT  
WITH RAIYATS OR INDIVIDUAL  
OCCUPANTS.

The Bengal system first applied to Madras, but afterwards prohibited; still survives as regards some of the estates. Attempts in some districts to make joint-village Settlements.

Madras Raiyatwári system (1820); occupants regarded as proprietors. Settlement for thirty years; uniform system of assessment with annual remissions. Re-settlements confined by rule to alterations resulting from a rise in prices—no general Revenue Code.

Bombay Raiyatwári system of field assessment; no theory of ownership; occupant has right defined by law. Settlement for thirty years only: system of assessment uniform and defined by rules. A complete Revenue Code enacted.

Other systems, in principle Raiyatwári (no middleman) of Assam, Burma, Coorg, &c.





# BRITISH INDIA.

Surveyed and Assessed Area in 1886-87.

CSL

PROVINCE AND CLASS OF TENURE.	Total area by Survey less fodder State.	Deduct area not fully assessed, including estates assessed at privileged rates.	Balance of area fully assessed.	Total Land Revenue (ex- cluding cesses) of district (column 5).	Population (column 6).	Land Revenue per head of population (column 5 and 6).	Land Revenue assessed on fully-assessed area (column 4).	INCIDENCE OF LAND REVENUE (COLUMN 8) ON FULLY-ASSESSED AREA (COLUMN 4) PER ACRE.		Population of fully-assessed area.	Land Revenue assessment per head of population of fully- assessed area (columns 8 and 11).	TOWNS OVER 10,000 INHABITANTS.		
								For total area.	For cultivated area only.			Number of towns.	Aggregate population.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>	<i>R.</i>	<i>No.</i>	<i>R. a. p.</i>	<i>R.</i>	<i>R. a. p.</i>	<i>R. a. p.</i>	<i>No.</i>	<i>R. a. p.</i>	<i>No.</i>	<i>No.</i>	
MADRAS	Raiyatwari.....	59,122,942	30,719,050	29,003,892	4,23,74,579	21,661,055	1 15 4	4,34,49,292	1 8 0	1 11 8	21,661,055	2 0 1	75	2,099,973
	Zamindari*.....	30,904,168	0,191,926	24,606,242	57,15,756	9,164,491	0 9 11	50,75,016	0 2 4	.....	7,901,170	0 10 3		
	Raiyatwari.....	43,650,976	21,478,045	22,561,931	.....	.....	2,26,33,353	1 0 2	1 0 9	9,958,166	0 13 6	.....		
BOMBAY PRESIDENCY	Talukdari.....	1,419,397	265,059	1,054,338	.....	.....	3,86,101	0 5 10	0 5 10	209,890	.....	.....	51	1,261,954
PROPER	Mohwadi.....	79,334	13,388	65,946	2,77,92,036	13,667,395	2 1 6	11,237	0 2 8	0 2 9	33,004	0 5 6		
	Narwa.....	174,618	91,955	82,663	.....	.....	4,07,204	1 14 9	1 14 11	213,072	3 2 4			
	Khot and Isafat.....	2,164,123	138,735	1,425,388	.....	.....	8,76,257	0 9 10	0 9 10	800,125	1 2 9	.....		
SINDH	Raiyatwari.....	24,932,298	16,473,533	8,658,763	55,69,484	2,413,823	2 4 11	45,22,819	0 8 4	1 4 9	Not available.	.....	7	226,362
BENGAL	Zamindari and village communities.....	52,474,263	11,647,209	40,847,054	4,29,22,018	32,720,128	1 5 0	4,26,20,621	1 0 8	1 14 8	30,310,122	1 6 6	86	2,643,798
.....	Zamindari and village communities.....	15,361,911	1,831,228	13,480,683	1,44,91,359	11,387,741	1 4 4	1,33,77,810	0 15 10	1 8 5	.....	.....	18	517,704
PANJAB	Zamindari and village communities.....	63,312,963	12,514,202	50,898,761	2,34,80,371	18,850,437	1 3 11	2,23,85,220	0 7 0	0 15 10	.....	.....	46	1,484,498
CENTRAL PROVINCES	Village lands.....	41,684,781	6,719,980	34,974,801	59,78,549	5,499,283	0 11 3	57,53,102	0 2 7	0 0 1	7,804,753	0 11 9	16	453,892
	Zamindari.....	13,675,859	.....	13,675,859	1,52,044	1,339,508	0 1 9	1,52,044	0 0 2	0 1 7	7,339,508	0 1 9		
	Raiyatwari.....	35,659,376	57,218,610	4,449,766	74,62,135	3,736,771	1 15 10	73,63,168	1 10 5	1 12 6	.....	.....		
LOWER BURMA	Zamindari.....	122,226	106,460	6,066	39,737	.....	.....	.....	.....	.....	.....	.....	11	566,670
	Raiyatwari.....	2,356,187	1,836,351	2,247,824	27,07,001	.....	.....	.....	.....	.....	.....	.....	.....	.....
	Zamindari.....	4,508,782	822,978	3,805,804	4,97,312	.....	.....	.....	.....	.....	.....	.....	.....	.....
ASSAM	Waste Land Grants.....	447,499	447,499	.....	1,86,857	4,881,426	0 12 7	35,40,003	0 9 4	.....	4,954,744	0 13 11	.....	63,921
	Government Waste and Forests.....	18,659,608	18,659,608	.....	2,82,084	17,8,302	1 9 3	2,07,266	1 13 9	2 7 9	.....	.....	.....	.....
COORG	Raiyatwari.....	1,013,000	908,645	104,355	2,97,951	184,188	1 9 10	2,97,781	1 9 0	1 13 8	184,188	1 9 10	3	85,884
AJMER-MERWARA	Zamindari and village communities.....	734,578	541,257	190,321	67,54,737	2,930,018	2 9 1	64,38,592	0 14 5	0 14 5	2,542,285	2 8 6	10	150,573
BIHAR	Raiyatwari.....	11,336,520	5,240,019	7,116,501	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
TOTAL.....	443,933,743	184,677,792	259,255,951	18,71,13,349	130,912,566	1 6 10	17,97,18,061	0 11 1	.....	.....	.....	333	9,355,229	

\* Includes whole Insam (Revenue-free) villages.

† The return being quinquennial, the figures for 1885-84 have been shown.

‡ The return being quinquennial, the figures for 1884-85 have been shown.

§ Area returned by village papers.

N.B.—(a) Bombay Presidency Proper and Sindh have been shown separately in this return, as the statistics for Sindh have been collected on a principle different from that followed in the case of the Presidency Proper.

(b) The difference between the figures in column 2 of this form and those given in column 2, less column 3 of Form A, is due (1) to the net area returned by village papers (Col. 6 (b), Form A) having been entered in column 2 against the Punjab in this form, and (2) to the figures for 1885-84 and 1884-85 (instead of those for 1886-87) having been shown against the North-Western Provinces and Oudh respectively.

NOTE.—This table for 'Form C' is reprinted as it stands with a few verbal omissions; but I have altered the 'class of Tenure' under the 'Central Provinces', from the unintelligible 'Raiyatwari khales' of the original, to 'Village lands', which is what it means. I do not think the figures can be trusted for any ungeneral indications. It is quite incredible, for instance, that in Madras (col. 2) the 'fully assessed' raiyatwari area should be only five million acres in excess of the zamindari. The fully-assessed raiyatwari would be the cultivated land, and if we take only the cultivated zamindari (excluding insam land) as fully assessed, the area would appear to be something over ten million acres instead of twenty-four and a half millions.—B. P.





## APPENDIX.

*Extract from the Supplement to the Gazette of India.*

*(March 31st, 1888.)*

*'Land-Revenue during the twelve months ending September 30th.*

(In thousands of Rs.)	1881.	1882.	1883.	1884.	1885.	1886.	1887.
India . . . .	99	91	88	96	110	110	116
Central Provinces.	608	609	612	613	613	615	619
Burma . . . .	1,036	1,060	1,099	1,166	1,133	1,137	1,222
Upper Burma . .	...	...	...	...	...	39	235
Assam . . . .	385	379	396	404	410	420	401
Bengal . . . .	3,687	3,880	3,801	3,680	3,915	3,799	3,736
North-Western Pro- vinces and Oudh.	5,653	5,848	5,782	5,769	5,809	5,784	5,798
Panjab . . . .	2,112	2,099	2,075	2,058	2,153	2,157	2,146
Madras . . . .	4,777	4,556	4,721	4,779	4,492	4,807	4,864
Bombay . . . .	3,119	3,095	3,083	3,407	3,316	3,342	3,373
TOTAL . . . .	21,476	21,617	21,657	21,972	21,951	22,210	22,510
See Note . . . .	665	694	677	676	734	811	880

The figures in the lowest line are the alienated Land-Revenue of Bombay, which, in the system of accounts of that province, are added on the Revenue side, and charged again as expenditure under Assignments, Land-Revenue, and Police. The amounts are neglected in the statement itself.

It will be remembered that a portion of the total receipts of Land-Revenue is in the accounts shown under the separate head of irrigation.

'33. Although the growth of revenue shown in the above figures has been very steady, it can hardly, from a financial point of view, be said to be satisfactory in amount. It has been less than one per cent. a year, and is on the whole a poor return for the money which Government has spent, in the form of railways and of canals, in improving its estate.

'But the fact is that the period covered by the above state-





ment represents, in a general way, the close of the thirty years' Settlements in several of the provinces, and the Government is only now beginning to reap its share in the advance of the past two or three decades. Settlement operations are at present being carried on on a more extensive scale than at any previous time, and we have every reason to expect a handsome increase of revenue under this head.

#### 'NEW SETTLEMENT' SYSTEM.

'34. During the last four years (and in a great measure in preparation for this re-settlement of revenue) a very great improvement has taken place in Northern India in the administration of this important head of revenue and in the means adopted by the Government to assess and settle from time to time that share of the produce of the land which has in all ages been the main source of the revenue of the sovereign powers in India.

'As no systematic review has recently been published of the position and prospects of this our most important head of revenue, I propose to take up the subject in some detail, both from an administrative and from a financial point of view, the materials having been supplied to me by Sir Edward Buck, the Revenue Secretary to the Government of India, to whom personally is due by far the largest share of the credit of the improvements effected.

'35. The system of land-assessment has hitherto, in every province, involved the complete survey, field by field, of every village—an operation which was rendered necessary by the absence of correct maps at the commencement of the thirty-year period. The object of the system now introduced is to preserve, and to correct up to date, the records upon which the surveys and Settlements are based, so that the re-settlements, when they fall due, may be made upon existing records, and may not require an elaborate investigation *de novo*. The maps which have been provided by the great cadastral survey which has now almost drawn to an end, are in future to be corrected up to date from year to year by permanent establishments in which the patwāris or village accountants occupy the most important place. In the same way the Settlements now being completed have involved a complete revision of all records-of-rights, including details of the occupancy of every field, and



these records, like the maps, are in future to be maintained from year to year by the permanent establishments. The assessment included also the valuation of the soil and productive powers of every field; but the valuation made during the past thirty years will in future revisions of Settlement be accepted without material alteration. Three important elements of expenditure have thus been eliminated from future Settlement operations, viz. the cost of periodical field surveys, of revisions of records-of-right, and of soil valuations. The introduction of the new system is made possible both by the more complete maps and records which have been supplied by the operations of the past thirty years, and by the creation of Agricultural Departments which are permanent Departments of Survey and Settlement.

36. An examination of the cost under the old and new systems has recently been made in pursuance of the inquiries of the Finance Committee with the object of ascertaining the financial effect of the new arrangements and the probable cost of future Settlement operations. This investigation is not complete, but it points to a maximum expenditure, in future, of R. 100 a square mile, including the cost of additional establishment, and in some provinces to a considerably lower figure. The comparative results are shown in the following table, in which a maximum rate of R. 100 is applied to all provinces :—

PROVINCE (EXCLUDING ASSAM).	Rate per square mile under the old system at rates recently prevailing.	Average expenditure per annum at rates in preceding column.	Average expenditure per annum at the maximum rate of R. 100 per square mile.
	R.	Rx.	Rx.
North-Western Provinces and Oudh	350	115,000	30,000
Panjab . . . . .	200	50,000	25,000
Central Provinces . . . . .	220	35,000	15,000
Bengal . . . . .	350	17,500	5,000
Madras . . . . .	440	70,000	15,000
Bombay . . . . .	260	65,000	25,000
TOTAL . . . . .	303	352,500	116,000

showing an ultimate annual saving of Rx. 237,500.



'The above table is based on an estimate of the maximum cost which may be incurred in the revision of assessments when the new arrangements have been completely established. In the meantime some saving has been already made by their partial introduction and by measures which have recently been taken to accelerate the current revisions of Settlement. Under the programmes which have been arranged in recent conferences with the local authorities, there has been effected a saving either in the expenditure on survey and Settlement, or in the more punctual recovery of increments of new revenue, which, in three provinces—the Central Provinces, Panjáb, and Madras—is estimated at a gross amount of Rx. 2,000,000 during the next ten years, or an average of Rx. 200,000 a year during the next decade. In these and other provinces the new increments of Land-Revenue to which the Government is entitled will henceforth be assessed and collected up to date, while hitherto they have in many cases come into force only several years after the date of the expiry of the old Settlement.

'37. The general growth of the Land-Revenue is exhibited in the following table :—

*Table showing growth of Land-Revenue (including Permanently-settled Tracts.)*

(The figures are thousands of Rx.)	Receipts, 1856-57.	Receipts, 1870-71.	Average annual growth (14 years).	Percentage of increase (14 years).	Receipts, 1886-87.	Average annual growth since 1856-57 (30 years).	Percentage of increase (30 years).	Receipts, 1890-91 (rough estimates).	Average annual growth since 1870-71 (20 years).	Percentage of increase (20 years).
North-Western Provinces . . .	3,920	4,130	15	5	4,390	16	12	4,560	21	10
Oudh . . . . .	970	1,320	25	36	1,410	15	45	1,470	7	11
Panjáb . . . . .	1,840	1,970	10	7	2,150	10	17	2,210	12	12
Central Provinces . . . .	570	600	2	5	620	2	9	650	2	8
Bengal . . . . .	3,540	3,760	16	6	3,740	7	6	3,800	2	1
Madras . . . . .	3,800	4,400	43	16	4,860	35	28	4,900	25	11
Bombay (a) . . . . .	2,150	2,950	57	37	3,370	41	56	3,450	25	17
Assam . . . . .	80	210	10	162	400	11	400	420	10	100
Lower Burma . . . . .	410	600	14	46	1,220	27	197	1,230	31	105
Minor Provinces . . . .	20	20	—	—	120	3	500	120	5	500
	17,300	19,960	190	15	22,280	166	29	22,810	142	14

(a) Excluding Alienations.





The figures show actual collections both of Land-Revenue and of miscellaneous items classed as Land-Revenue, e.g. sale-proceeds of waste lands; water-rates in Madras; nominal revenue assessment on lands assigned for service in Bombay; capitation-tax and receipts from fisheries in Burma and Assam.

'38. Three periods are taken, viz. :—(1) the first fourteen years after the mutiny, during which the growth was at the rate of Rx. 190,000 a year; (2) a period of thirty years from the mutiny to the present time, during which the growth was at the rate of Rx. 166,000 a year; (3) a period of twenty years (partly estimated) from 1870-71 to 1890-91, during which the growth is at the rate of Rx. 142,000 a year.

'39. It will not fail to be seen that, while the fourteen years preceding 1870-71 showed an annual increase of Rx. 190,000, the rate of increase in the twenty succeeding years has averaged only three-fourths of this. The reasons for this are, that the first period was, in many parts of India—Oudh and Orissa for example—a period of active re-assessment and Settlement, and that, therefore, during the second there was less of the growth of revenue which comes in from Settlement operations; that a large accession of land-revenue occurred after the mutiny in consequence of confiscations; and finally, that there was, between 1860 and 1870, a rapid increase in the cultivated area of the provinces of Bombay and Madras, in which the system of land-settlement is such that newly-tilled land comes under annual assessment, and in which the demand for cotton during the American war gave a powerful impulse to cultivation. On the other hand, a corresponding check to cultivation occurred in the same provinces during the last of the three periods in consequence of the drought of 1877-78.

'40. Notwithstanding these causes of exceptional growth in the beginning of the post-mutiny period, it may reasonably be expected that the capital outlay which the Government has recently devoted to irrigation and railways will, during the next few years, bring to it a larger return from the land, by reason of the great improvement of its produce, both in quantity and value, by the agency of canals and the opening-out of communications. In these accessions to the landed income of the State strict regard will be had to the principles which have invariably been followed by the Government of India in the assessment of the land, its guiding policy having always been the lenient consideration of the proprietary classes. During





thirty years of peace and progress, the rentals of tenants have, through the cultivation of new fields or the imposition of new rents by landlords, been continually expanding, and, in some of the most fertile areas of India, the landlords themselves have, without the intervention of the Government, materially enhanced the rent paid to them, while at the same time that proportion of it paid by them to the State has been continuously reduced to lower and more definite limits. In the same way, a lenient consideration is extended to the agricultural community in provinces where the cultivators or cultivating proprietors are assessed by the State itself, so that in these also the percentage of produce paid as land-revenue has been constantly decreased.

‘The growth of land-revenue, therefore, which is to be anticipated will be a growth due to that peace and prosperity which directly spring from a lenient and careful administration rather than to any direct action of the Government in the direction of raising rentals.

‘A brief review of the position in each province will now be given.

#### ‘REVIEW BY PROVINCES.

‘41. *North-Western Provinces.*—The old system comes to a final end within the next two years. The greater part of the province is held by tenants on small holdings of a few acres paying rent to landlords who are charged with a payment of 50 per cent. of their assets to Government. The advanced condition of the province led the Secretary of State to inquire, so long ago as 1863, whether a permanent Settlement could not be introduced; but a final consideration of the subject between 1882 and 1884 ended in the adoption of the system already described, under which annually revised maps and records are made the basis of assessment.

‘The rate of growth of land-revenue in the North-Western Provinces since the mutiny year has, however, been moderate. In the first fourteen years it was only 5 per cent. (say 35 per cent. per annum), but it has in the current period of twenty years risen to 10 per cent. or 5 per cent. per annum. There was in the North-Western Provinces less room for extension of cultivation than in most parts of India. Lying mainly in the fertile alluvial plain between the Himālayas and the high-





lands of Central India, the province attracted a large population at an early historical period, and it was at the period of the mutiny highly assessed. But the large amount of State capital spent since that time in the form of railways and canals, and the contemporaneous rise of prices has given a fresh impulse to agricultural wealth, and the province is now in many districts as lightly, as it was formerly heavily, assessed. A considerable amount of relief was given at the commencement of the thirty-years' period of Settlement now expiring, by the reduction of the standard of the State demand from 66 per cent. of assets to 50 per cent.—a change which was, however, somewhat counterbalanced by the high valuation of assets made under the rules which governed the operations of the Settlement Officers. The relief is now made complete by the elimination of soil valuation from the assessment system which, except in cases of suspected fraud, requires that the recorded assets should be accepted as a basis of assessment. Rentals are in many districts still growing at a rate of about 1 per cent. per annum, and in certain tracts the growth is likely to be so great that even under the lenient system now adopted, some difficulty may be anticipated in taking the Government quota in full at the next Settlement from the landlords, on account of the large and sudden increase which would be involved in such an assessment.

'42. *Oudh*, with the exception of a closely populated tract between Lucknow and Benares, came under much later development than the North-Western Provinces. Its revenues were not, until after the mutiny, brought under the effective administration of the British Government, who applied to it the same system of Settlement as that which prevailed in the North-Western Provinces. The tenants of Oudh have less positive rights than those of the adjacent province, as in the latter the greater number are more securely protected by statutory rights against unlimited enhancement of rent. There is, therefore, a prospect of a larger growth of rental, and also of revenue, in Oudh than in the North-Western Provinces. The land is rich, the climate favourable, and although since 1860 the extension of cultivation has been very large, considerable areas still remain to be brought under the plough. Competition for the land is likely to increase, and with it the enhancement of the rents by the landlords, who have in Oudh practically a free hand. The development of the province





under British rule has been very great, and is still, with the extension of railways, progressing at a rapid rate. The province will come under re-assessment, on the new or economical system, between 1892 and 1906.

'43. In the *Punjab* there is a large proportion of dry sandy soil which is only capable of development under the influence of irrigation. Subsoil water is generally too far from the surface for wells, and the growth of revenue depends mainly on the expenditure of State capital on canals. The revenue-payers are for the most part cultivating proprietors paying direct to Government, no part of the produce being intercepted by middlemen. A large amount of State capital has been in recent years invested in the province in railways and canals. Under these circumstances the growth of the land-revenue, which has since the mutiny been slow, should now progress at a rapid rate.

'The revision of Settlement has, under the old system, involved, as in the North-Western Provinces, a high rate of expenditure and protracted operations, but only a very few districts now remain to be completed under that system, and measures have recently been taken to expedite their assessment. The whole province will then come under the operation of the new rules which require the Settlement to be based on annual maps and records.

'44. The *Central Provinces* have shown a very small development of land-revenue since the mutiny. They have been to a great extent cut off from the railway system and have at the same time been lightly assessed. The revision of Settlement takes place during the current decade commencing with the first year of the present Provincial Contract, 1887-88, and it is estimated, after nine years, to yield an increase of Rs. 180,000. Owing to the backward state of the province, the low rates now paid to Government, and the new development of the railway system which is taking place, it has been determined to make the new Settlements for terms varying between twelve and twenty years, so that the reassessment of the province will recommence shortly after the termination of the existing revision.

'The revision of Settlement is being made at present partly on the old and partly on the new system, but at a low cost not exceeding Rs. 100 a square mile. The same necessity for a complete series of maps and records has existed in this as in other





provinces, but owing to the circumstance that the revision of annual records was commenced, with the creation of the Agricultural Department, five years before the old Settlements began to expire, there has been more time than elsewhere to utilize the village and district establishments in the work of preparing for Settlement. Arrangements were made under which a large number of parties of the Survey of India have covered the surface of the provinces with a network of triangulation available both for topographical and revenue purposes. These are filled in by the village officers under the supervision of the local Revenue officers, and they provide sufficiently good maps as a basis for future revisions of assessment. The revision of the record is also primarily effected by the permanent establishments, leaving only the valuation of soils and general supervision to be effected by a special staff. At the close of the present revision, nine or ten years hence, the new system will be introduced and the cost be brought considerably below the new maximum of R. 100 a square mile.

'The land is held, as in the North-Western Provinces and Oudh, by cultivators of small holdings paying rent to proprietors from whom the Government takes revenue. But whereas in those provinces the landlords have the power, which is freely used, of raising rents contemporaneously with increase of competition and rise of prices, they have no such power in the Central Provinces. The growth of rent and, therefore, of revenue, entirely depends, except in land newly taken into cultivation, on the periodical assessments of rent made by the Government at the time of Settlement. The existing rents are, in most parts of the province, an unusually small fraction of the total value of the produce; while, in consequence of the rising prices due to the extension of the railway system, the disproportion is continuously becoming greater. The area of culturable land still to be brought under the plough is exceptionally large. The province is one, therefore, from which a material growth of land-revenue may be looked for.

'45. Thus far the provinces dealt with are those popularly known as the 'temporarily-settled zamindari' or 'landlord' provinces. I will next refer to *Bengal*, which is recognized generally as a 'permanently-settled landlord province.' But there are in Bengal not less than about 14,000 square miles which belong to the temporarily-settled landlord class and of





which the old Settlements will shortly fall in. In respect of this tract preparations are now being made for punctual assessment on much the same plan as in the Central Provinces, and at equally moderate rates of cost, by the Agricultural Department of the province.

The area in question comprises large tracts in Orissa and Chittagong, and several Government estates. It will hereafter come entirely under the new system. An increment of land-revenue of 20 per cent. would in this area be equivalent to a fixed addition of ten lakhs a year to the annual demand.

'46. The province of *Madras* must be divided into two sections—the permanently-settled zamindári or landlord area, and the temporarily-settled raiyatwári or tenant-proprietor area. The first is about 48,000 square miles and the second about 93,000 square miles, or roughly one-third and two-thirds respectively. The Settlement on the old system, which required a complete series of field maps and a valuation of soils, is now drawing to a close and is being hastened by assistance lent to the local Survey Department by the Government of India. In a few years the whole province will, in accordance with the intention which for some time has been declared by the Madras Government, be permanently relieved of special Settlement and Survey establishments.

The growth of land-revenue in the tenant-proprietor tracts takes place in two different directions. There is the periodical growth due to the increase of rent-rates at the end of every thirty years' period, and the annual growth due to the gradual increase of the area brought under cultivation. For in Madras all tenant proprietor waste land has an annual rate attached to it at the time of assessment which is applied and collected whenever the land is occupied. The periodical growth (that is, the increase of rates between the last Settlement and the one now being completed) is roughly estimated at from 5 to 7 per cent. and the annual increment due to increased cultivation at Rs. 10,000 per annum. The rate of increase under this latter head will necessarily fall off as less land becomes available.

'47. In *Bombay* the same general conditions prevail as in the raiyatwári or tenant-proprietor area of Madras. The growth rate, however, is not checked by the presence of permanently-settled land, and has, as in the temporarily-settled section of Madras, a double growth, the one being due to the periodical increase of rent-rates every thirty years, and the other to the



annual occupation of fresh land at the revenue-rates which were attached to it at Settlement.

'The whole province has in recent years undergone a thorough and searching revision of assessment which is now drawing to a close. This revision has been in the hands of a separate Survey Department which will within five or six years be gradually broken up and absorbed in the new establishments, and the province will then come permanently under the new system. It may be noticed here that both in the Madras and Bombay Presidencies the holdings or small farms of tenant-proprietors have had their boundaries fixed once and for ever by the Survey Department, and that instead of, as in other provinces, the map requiring annual revision in order to keep it in accord with changing boundaries, it is here necessary to maintain the boundaries in accordance with the map as originally made. This duty, as well as that of the maintenance of the statistical record, is on the close of Settlement operations in each district made over to the Agricultural Department.

'The growth of land-revenue has been more satisfactory in Bombay than in any province. It began in a marked degree with the impetus given to cotton production at the time of the American War, and has been continued under the influence of rising prices, extended cultivation (and in Sindh, extended irrigation), supplemented by a careful system of assessment.

'48. In *Assam* the very backward state of the province and the absence of communication with the seaboard in the years immediately succeeding the mutiny, have made the growth of revenue in the later years appear to be exceptionally rapid. A part of the province (about 9,000 square miles) is, however, under the permanent Settlement system of Bengal, and the growth of revenue depends on the remaining area which is temporarily settled, chiefly with tenant-proprietors, at rates which are practically fixed, as there is hardly any competition for land on account of the great extent of waste area which can be taken up. The most fully-occupied portion has been revised on the system employed in other temporarily-settled provinces, and this revision is nearly completed. The remainder will probably be surveyed and settled on a cheaper system under the direction of the Agricultural Department, and the whole province will thereafter come under the new arrangements. As in Bombay and Madras, there is an annual





growth (estimated at from Rx. 8000 to Rx. 10,000 per annum) which is almost solely due to new occupation, as there is here no periodical growth due to increase of rates.

'49. *Lower Burma* has been undergoing for some years a regular revision of Settlement, of which about one-fifth, or nearly 10,000 square miles, is completed. Each district, when it leaves the Settlement officer's hands, is made over to the permanent care of the Agricultural Department, which will henceforward be responsible for maintaining the maps and records. The land is held by tenant-proprietors, and there is again in this province a double growth due to annual increase of occupation and to periodical increase of rates. The annual assessments are complicated by the release of all fallow land from payment of any but a nominal revenue, but there is a steady extension of cultivation which, supplemented by the effect of a careful survey and assessment, has resulted in a growth of from two to three lakhs a year on a comparatively small total revenue. Lower Burma is practically a large rice-field formed by the alluvial deltas of the river systems, and at present it yields only 1 per cent. of other produce. About 37,000 square miles, or 84 per cent. of its cultivable area, are still uncultivated, and there is room for further growth both by extension of cultivation and by the improvement of the agricultural system through the introduction of other crops. The soil is rich.

'50. *Upper Burma* is composed of high-lands, the agricultural value of which is under examination. The land-revenue is, like that of all border provinces on first-occupation, initially small; but there is an equal promise of the same steady growth in the future which has taken place elsewhere.

'51. The increase of revenue in minor provinces under the direct control of the Government of India is mainly due to the re-assessment of the little district of Ajmer and the addition of Quetta.'





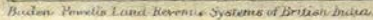
*BOOK II.*

THE LAND-REVENUE SYSTEM OF  
BENGAL.



- CHAPTER I. THE PERMANENT SETTLEMENT.
- „ II. THE TEMPORARY SETTLEMENTS.
- „ III. THE LAND-TENURES.
- „ IV. THE RELATION OF LANDLORD AND TENANT.
- „ V. THE REVENUE OFFICERS.
- „ VI. LAND-REVENUE BUSINESS AND PROCEDURE.









## CHAPTER I.

### GENERAL HISTORY OF THE PERMANENT 'ZAMÍNDÁRÍ' SETTLEMENT OF BENGAL.

#### SECTION I.—INTRODUCTORY.

##### § 1. *Early History of the Presidency.*

THE limits of this work make it necessary for me to plunge somewhat abruptly into the history of the Bengal Settlement. But in this chapter, and in that which afterwards describes the Revenue Officers and their duties, I shall go into more detail than elsewhere, regarding the early history of our administration. The reason for this will be already apparent from the introductory chapter (Book I. Ch. V.) in which I have explained how the Bengal system is the parent of all others. To this day the district staff,—the Collector and his assistants,—by whatever other titles they may be locally known, exist on the model, and with many of the characteristics, of the original Bengal institution. And the principles which underlie the Bengal Settlement have not been without their influence on the later systems which in many respects depart widely from the old Bengal ideal. The strong conviction of the advantages of a *recognized landlord with a secure title*, which moved the Government to make, and





to congratulate itself upon, the Zamindari Settlement of Bengal, resulted indeed in a reaction which produced (after no little conflict) the *raiyatwari* systems of Madras and Bombay; but it survives in the modified systems—lying midway, as it were, between *raiyatwari* and *Zamindari*—that prevail in Upper India.

Still our detail must be of a practical character, and I must therefore pass over many interesting phases of the history of the administrative system developed by the East India Company when it was changed from a trading corporation into the ruler of a great Empire<sup>1</sup>.

I will only briefly recall certain salient points.

BENGAL, which in the end became the first among the provinces, was at the outset the lowest in rank as well as the latest in origin. The 'President' at the factory of Surát was originally the chief representative of the Company in the East. Madras was erected into a Presidency in 1653, and Bombay—though still subordinate to Surát—in 1668. The Bengal Presidency was not formally constituted till the next century had begun.

Our trade with Bengal, no doubt, was established much earlier. It began practically with the factory at Bálásúr in 1642. But our permanent establishment—following on the grant made in gratitude for some remarkable cures in the Imperial family effected by Surgeon Gabriel Boughton—may be said to date from 1652. Sultán Shuj'á (one of the sons of Sháh Jahán) was local ruler or Súbadár of Bengal, and was favourable to the English and allowed a factory to be opened at Húghlí. But that privilege was liable to all the changes and caprices of Oriental rule; and it so happened that Sháh Shuj'á's successor took a dislike to the traders, with the result that, after the affair of Job Charnock in 1686, the settlement was put an end to. But this was only for a time; four years later, a reconciliation was effected (as the loss from the cessation of our

<sup>1</sup> A succinct sketch will be found in Phillips, *Lecture vii*. Also in the *Historical Summary of the Bengal Ad-*

*ministration Report for 1872-73*; and in Kaye, pp. 57-108; and Field, chapter xix.



trade was considerable), and Charnock returned and founded Calcutta in A.D. 1690. Permission was obtained, in 1698, to buy out the rights of the landholders in the vicinity of Calcutta; the Company thus became holder of estates, spoken of in the official language of the day, as 'independent *talucs*.' In 1699 Sir Charles Eyre was sent out to build the fort which was called after the reigning sovereign, and has given the name to the Presidency—'Fort William in Bengal.' In 1707 this Presidency was formally recognized<sup>1</sup>. After this, nothing that is here noteworthy, occurred till the outbreak which culminated in the 'Black Hole' tragedy, and the battle of Plassey (Palásí), on the 23rd June, 1757. Affairs then took a new turn; instead of the Company's officers being the humble dependants of the Mughal power, they became the real arbiters of affairs. The local governors or *Súbadárs*, were in fact created by the authority of Clive. By treaty the Company then became 'Zamíndár' of the town of Calcutta and the territory around known as 'The 24-Pergunnahs.' Afterwards the grant was made revenue-free<sup>2</sup>.

In 1760 the 'Chaklās' or districts of Bardwán, Midnapore (Mednipur), and Chittagong (Cháttágráon) were granted revenue-free. Lastly, in 1765 (12th August), the grant of the 'Diwání,' or right of civil and revenue-administration of Bengal, Bihár, and Orissa, was made to the Company, on condition of payment to the Emperor of a fixed sum of twenty-six lakhs annually, and of providing for the expense of the 'Nizámat,' i. e. the criminal and military administration<sup>3</sup>.

<sup>1</sup> See Harington, vol. i. 2; and Phillips, p. 231. Kaye gives 1715 as the date, pp. 67 and 76.

<sup>2</sup> For the Sanad see Aitchison's *Treaties*, vol. i. 15. The nature of the Zamíndár's office under the Mughal government has already been sketched (see p. 184); and we shall presently study the subject more in detail. But this grant shows it was a position which then implied something very like the landlord's right; and doubly so

when no revenue had to be paid to the Imperial treasury, but everything was managed, and all dues appropriated, by the grantee.

<sup>3</sup> The Diwání means the office or jurisdiction of Diwán—the civil minister, as the Nizámat was of the 'Názim,' or military governor. Hence the term 'Diwání' is still used to mean 'civil' as in the phrase Diwání 'Adálat, or Civil Court; and 'Nizámat' was long used to mean 'criminal,' the chief





This put the Company into virtual possession of the three provinces,—the Orissa of 1765 including only the present Midnapore district, with part of Húghlí, not the whole of the country now called by the same name.

## § 2. *Commencement of British Rule.*

For some time no interference with the native officials was contemplated<sup>1</sup>. It was soon found, however, that the uncontrolled acts of local officials under a corrupt and effete system, produced results little short of intolerable. In 1769, 'Supervisors' were appointed in the hope of improving the administration. They were directed to acquire information as to the revenue-history of the province, going back for the purpose to a given era when good order and government had been universal; they were to inquire into the real limits of 'estates' held by the Zamíndárs, the quantity of land they ought to have revenue-free, and the real 'rents' or payments which the actual cultivators of

Criminal Court being called Nizámat 'Adálat. Now the term 'Faujdári' is used for Criminal Courts. But both terms indicate that the military and criminal jurisdictions were considered as one and the same. The grant of the Diwání did not *theoretically* give the whole rule of the country, but it did practically. (See this explained in Cowell's *Tagore Lectures for 1872*, pp. 26, 27.)

<sup>1</sup> Motives of policy, natural but short-sighted, impelled Clive to leave the actual administration in the hands of the old native functionaries to be carried on in the name of the Súbadár. In 1767 Clive wrote to the Select Committee :—'We are sensible that since the acquisition of the Diwání, the power formerly belonging to the Súba of these provinces is totally, in fact, vested in the East India Company; nothing remains to him but the name and shadow of authority. This name, however, and this shadow it is indispensably necessary that we should venerate . . . . To appoint the Com-

pany's servants to the offices of Collectors, or indeed to do any act by any exertion of the English power . . . . would be throwing off the mask, would be declaring the Company Súba of the province. Foreign nations would immediately take umbrage,' &c.—See Kaye, p. 78. Mr. Kaye is, I think, much too severe on this policy: there was very little 'gorging ourselves on the revenue and leaving the responsibility.' As to the revenue, no system could well have brought in less to the Government; as to the form of administration, Clive had to consider the susceptibilities of the French—a very present danger;—and it was with no desire to shirk responsibility that the government was let alone, but in a perfectly genuine belief that the native rule was best, as it was most politic. The Company had only a staff of merchants and writers, barely enough to manage their commerce, and quite unequal, as Mr. Verelst wrote, to civil administration.





the soil ought to make in each estate. Various other improvements were hoped for; and especially illegal revenue-free holdings were to be properly assessed and made to pay. The cultivators were to be protected from the exactions of the Zamíndárs, and leases or 'pottahs' (pattás), specifying exactly what each man had to pay, were to be granted<sup>1</sup>.

The intention thus to supervise and control the native revenue-administration was no doubt excellent, but it entirely failed of realization: and on the 28th August, 1771, the Court of Directors at home announced their intention 'to stand forth as *Díwán*, and by the agency of the Company's servants to take upon themselves the entire care and management of the revenues.' In India a proclamation to this effect was issued on 18th May, 1772, and Clive took his seat as *Díwán*, or Minister of State charged with the Civil and Revenue administration of the Province, at the annual ceremony (*punyá*) for settling the year's revenue, held near Múrshidábád. That was the beginning of our direct revenue-control.

But the idea of a Settlement and a recognition of the proprietary right in land, had not yet occurred to the Company's government. This is hardly to be wondered at. The whole theory of Indian land-revenue was absolutely strange to the English authorities. They could not tell who owned the land and who did not; nor in what category to place the different native officials they found in the districts. Everything had to be learnt by slow experience. There was no guide to the system, and no principles of law to which it could be referred; nor were the Company's servants fitted by their training and antecedents to prescribe systems or devise administrative forms. As Mr. Kaye says, 'The Company's servants were dead hands at investments, but they know nothing of land-tenures.'

<sup>1</sup> This proposal should be noted, as showing that from the first, the idea of protecting the rights of the cultivators was in the mind of our administrators; and also as show-

ing how the belief originated, which was not abandoned till many years after, that those rights would be efficiently protected by the issue of definite written leases.



§ 3. *Sketch of the early Revenue system.*

In 1772 the affairs of India had for the first time attracted such attention as to be mentioned in a Royal Speech to Parliament; the result was that the 'Regulating Act' of 1773 was passed, and this (insufficient in detail as it afterwards proved) established the Governor-General and Council in Bengal with a power of supervision over the other Presidencies, and laid the foundation of a system of Courts of Justice, as well as of a series of written and published Regulations for the guidance of the authorities in India.

Warren Hastings became Governor-General in 1772, and under him, reforms were at once undertaken. The mercantile element in the Company's service was gradually replaced, or supplemented, by men who could become civil administrators, and the Collectors and assistants were given more reasonable salaries instead of being expected to eke out a merely nominal subsistence allowance by profits of private trade, and by other more questionable means. It was not to be expected that while such changes were in progress, a Revenue Settlement system could all at once come into view. The plan first adopted was to give out the revenues in farm for five years. Each 'pargana' was separately farmed; unless indeed the pargana gave more than one *lakh* (100,000) of rupees revenue, in which case it was divided. 'Collectors' were for the first time appointed (instead of Supervisors) to receive the revenue<sup>1</sup>. A native *Diwān* was associated with them, and they were superintended by Revenue Councils at *Mūrshidābād* and *Patná*.

The existing *Zamīndārs* (who managed the revenue under the Native rule) were not necessarily to be displaced by this arrangement; but they often refused to contract for the total sums demanded, so that other farmers were appointed, and in some cases injustice was done.

<sup>1</sup> In the chapter on Revenue business and officials, the history of the Collectors, Commissioners, &c., will be more fully gone into. De-

tails about the five years' system of 1772 will be found in Field, pp. 477 et seq.





Stringent orders were given to prevent the farmers robbing the cultivators or *raiya*ts, and to make them adhere to the 'hast-o-búd', or lists showing the rents which it was customary for the *raiya*ts to pay, and to prevent illegal cesses being collected.

Notwithstanding the best intentions, and that the members of the Central Revenue Committee went on circuit to arrange details, the new farming system proved a failure, as such systems always do. They required the utmost honesty in the lessees, and that honesty did not exist. They required also that the amounts bid for should be really fair, and fixed with reference to the real resources of the estates; they also required local supervision based on a minute knowledge of details, neither of which requirements can be said to have been attainable. The leases were arranged too much in the auction-room<sup>2</sup>; the *data* for real assessments were wanting. And if the total amounts could not be checked, any detailed watchfulness over village collections was impossible; officers were too few, their knowledge too imperfect, and the local machinery—the *kánúngo* and the *putwárá*, which our best modern systems have developed and instructed—were either wholly wanting, or existed only in name,—the holders of the offices being persons under the absolute control of those whose object was to deceive<sup>3</sup>. But perhaps the greatest cause of the failure of the farm system, was the widespread and decimating famine of 1770, on account of which enormous remissions of revenue had to be made<sup>4</sup>. It was not without reason that the Court of Directors wrote in 1773 (speaking of the failure of the system of Supervisors

<sup>1</sup> Literally (Persian) 'is and was'; in fact, the actual and customary rent-roll without arbitrary additions to it.

<sup>2</sup> The farmers in many cases were mere speculators who bid up the leases, hoping to get an uncontrolled power to take what they liked. Excellent orders were issued to prevent this. Nothing was to be taken from the *raiya*t beyond what was in his *patta*, and a heavy penalty and

the cancelment of the lease should follow extortion; but there was no one to enforce these provisions. See Field, p. 481.

<sup>3</sup> See pp. 256, 284.

<sup>4</sup> What that famine was in one district—Birbhúm—has been told in piteous and graphic language in Hunter's *Annals of Rural Bengal*. As to the remissions, see Kaye, p. 168, note.





before 1772): 'Every attempt for the reforming of abuses has rather increased them, and added to the miseries of the country we are anxious to protect and cherish.' As a partial remedy it was determined, under instructions from the Court of Directors, to abolish the agency of Collectors, and try again the 'Ámil' or Native local Collector of the first Mughal system. Had a strong district staff kept watch over these agents, the results might have been different; but unfortunately, the local Collectors were abolished and the only direct supervision was given by *Councils* placed at distant points of the province. For this purpose the country was divided into six divisions with a Provincial Revenue Council for each. Five of these sat at Bardwán, Patná, Múrshidábád, Dinájpur, and Dákhá (Dacca). The central Revenue Committee at Calcutta, which had a general control over the whole, also undertook the direct management of the sixth division, which was the Orissa of those days.

When the period of five years' farms was about to expire, Warren Hastings was carefully considering what system should next be followed. But unfortunately, at this time, the opposition of Francis, and the unseemly strife which resulted from the imperfect constitution of the Governor-General's office in relation to the Council, were at their height<sup>1</sup>; otherwise there can be no doubt that Hastings' advice was good. To gain information about the land tenures; to protect the *raiyats*, whom he perceived to be the real ultimate producers of revenue; not to commit himself to Settlement with any class for a long period, without fuller knowledge;—these were the points on which he insisted.

<sup>1</sup> Francis at that time had the benefit of John Shore's advice, who wrote his minutes for him. 'The Councillor seasoned those minutes with the necessary amount of acrimony, and then served them up as his own.' When Shore fell sick, Francis, it is said, was silent, and Hastings smiled grimly at the

ludicrous discomfiture of his foe (Kaye, p. 170). It is satisfactory to know that Shore lived to repent of his association with Francis, and became the friend of Hastings, as he afterwards was President of the Revenue Board and the trusted adviser of the Marquis of Cornwallis.





It was not, however, till the death of Colonel Monson had given Warren Hastings a majority, that (in 1776) his designs could be given effect to. Meanwhile the farming-leases expired, and the Court of Directors did not exactly agree to any plan sent home, while they did not offer any substitute of their own, beyond directing *annual leases to the Zamíndárs* whenever possible. These instructions are, however, noteworthy, because in them for the first time it was ordered that if the Zamíndárs fell into arrears they should be liable to be 'dispossessed, and their Zamíndáris, or portions of them, shall be sold to make up the deficiency <sup>1</sup>.'

Meanwhile, under Hastings' orders, a commission was issued to three officers to travel about and collect further information. They made their report in March 1778. During this period annual Settlements were made, i.e. in 1777, 1778, 1779, and 1780. In 1781 several 'Regulations' were enacted <sup>2</sup>. Notably, the six Provincial Committees were abolished, and a Metropolitan 'Committee of Revenue' (four members, of which the chief was Shore, afterwards Lord Teignmouth) was appointed. This Committee at once proceeded to report on a mode of Settlement, and recommended that the plan 'most convenient and secure for Government, and the best for the raiyats and country, is, in general, to leave the lands with the Zamíndárs, making the Settlement with them.'

Meanwhile the annual Settlements were continued. We now come to the eventful year 1786, when, in the autumn, the *Swallow* arrived bringing Lord Cornwallis, and with him John Shore, who had been appointed (as just stated) to the Board of Revenue. It should be noted, that in this year it was found (as might have been expected) that the

<sup>1</sup> Kaye, p. 172.

<sup>2</sup> The reader will recollect that the provisions for Regulations in the Act of 1773 were insufficient. The defect was partially removed by an Act in 1781; but even then the Regulations made, which were

afterwards reconstructed as the Bengal Code in 1793, were not in exact accordance even with the powers given, so they had afterwards to be finally legalized by the Act of 1797 (37 Geo. III., sec. 142).





Collectors were indispensable, and they were reappointed to the number of thirty-six (afterwards reduced to twenty-three). In this year, also, the Central Committee became the Board of Revenue.

I should also mention that, in 1782, a definite attempt was made to regulate the holding of lands revenue-free, and to 'resume' or charge with revenue, those that were held without authority: the office for registration and inquiry was called the 'ba'zī-zamīn-daftar' (office for certain lands).

The yearly Settlements (latterly with Zamīndārs always, unless expressly disqualified) continued till 1789.

Two things will here strike the reader; one is how little in a hurry Lord Cornwallis was to take action. The other is, how all attempts to dispense with the *Zamīndār* failed, and that in spite of repeated efforts to be free of him.

It is also instructive to note how little use central control proves when the local agency is defective.

The Board, far removed from the actual scene of operations, knew nothing of the real state of affairs, and the dīwāns and local officers combined with the Zamīndārs and others to deceive them.

#### § 4. A.D. 1786.—*Plans of Lord Cornwallis.*

Before Lord Cornwallis arrived, Parliament had passed the Act 24 George III., cap. 25, in 1784. And Lord Cornwallis came out with instructions for carrying this Act into effect.

The law indicated, as the means for ensuring a proper Settlement, an inquiry into the real 'jurisdictions, rights, and privileges' of Zamīndārs, Taluqdārs, and Jāgirdārs under the Mughal and Hindu governments, and what they were bound to pay; it also directed the redress of the grievances of those who had been unjustly displaced in the course of the earlier tentative and imperfect revenue arrangements. The Court of Directors suggested that the Settlement should be with the 'landholders, but at the same time maintaining the rights of all descriptions of persons. As for the



revenue, it was desired that there should be a durable assessment, based on a review of the Settlements and actual collections of former years. It was thought that the various inquiries which had been ordered ever since 1765 would have resulted in a sufficient knowledge of the paying capacity of the estates, and therefore a *Settlement for ten years* was ordered. The Court then thought that a fixed period of ten years would be better than promising a 'dubious perpetuity'; but they directed that, on completion of the arrangements, the whole matter should be fully and minutely reported on, so that they might have an opportunity of settling the whole question, without necessity for further reference or future change.

As I have said, while these arrangements were in progress, the Settlements continued to be annual, and Lord Cornwallis was so little in a hurry to carry out any scheme of his own, that he continued seeking for fuller knowledge. 'No efforts,' says Mr. Cotton, 'were spared to increase the store of information.' The vast body of opinions thus collected was declared by the celebrated *Fifth Report* to be 'too voluminous to lay before the House<sup>1</sup>.'

### § 5. *Issue of Regulations forming a legal basis for a Decennial Settlement.*

Meanwhile, the rules for the decennial Settlement were being elaborated. They were issued on the completion of Mr. Shore's celebrated Minutes of 1788, and of June and September, 1789<sup>2</sup>. The rules for settling Bengal, Bihâr, and Orissa (as then constituted) were separately issued between 1789 and 1790<sup>3</sup>.

<sup>1</sup> See Cotton's *Memorandum on the Revenue History of Chittagong* (Calcutta, 1880), p. 50. Unfortunately, however, they consisted chiefly of opinions and masses of detail about accounts, which did not in the least suffice to solve difficulties when it came to a question of assessing individual lands or estates, still less of fixing the *raiya's* payments on an equitable basis.

<sup>2</sup> The Minutes of 1789 are printed in the appendix to the *Fifth Report*, but not the elaborate Minute of 1788 with its appendices, giving Shore's information about the rise and growth of the Zamindâri title, and its becoming proprietary. This latter is consequently given *in extenso* in Harington, vol. iii. (and in the Reprint).

<sup>3</sup> As to the rules, see Harington,





When Lord Cornwallis commenced the codification of the Regulations in 1793, these rules (amended and completed) formed one of the forty-three Regulations passed on the same day, and have since been borne on the Statute-book as Regulation VIII of 1793.

This is the law under which the 'decennial Settlement' of Bengal was made.

§ 6. *Result reported to the Home Authorities.—The Permanent Settlement.*

When the inquiries had been completed, report was made, as ordered, to the Court of Directors at home. Lord Cornwallis was for making the Settlement permanent at once. But the Court of Directors, knowing that Shore and other able advisers deprecated the immediate declaration of permanence, deliberated for two years, and it was not till September, 1792, that they sent a despatch consenting to the proposal. On receipt of this, Lord Cornwallis, by proclamation of 22nd March, 1793, declared the decennial Settlement to be 'permanent.' This proclamation was also included in the Statute-book of 1793, as Regulation I of that year<sup>1</sup>.

The student will then bear in mind that the Bengal Settlement has two main features, which must not be

vol. ii. p. 171. The dates were:—

Bihār . . 18th September, 1789.

Orissa . . 25th November, 1789.

Bengal . . 10th February, 1790.

Having undergone alteration and received additions, they were issued with translations on 23rd November, 1791, and in this form are given at length in Colebrooke's *Digest of the Regulations*, vol. iii. p. 308. Still further improved, they were ultimately legalized, as above stated, in Regulation VIII of 1793. It is to the provisions as they appear in Regulation that reference is made in the text.

<sup>1</sup> The proclamation, after reciting that the Governor-General in Council had been empowered by the

Court of Directors to 'declare the *jumna* which has been or may be assessed upon their lands . . . fixed for ever,' went on to say: 'The Governor-General in Council accordingly declares to the Zamindárs, independent taluqdárs, and other actual proprietors of land, with or on behalf of whom a Settlement has been completed, that at the expiration of the term of the Settlement [ten years] no alteration will be made in the assessment which they have respectively engaged to pay, but that they and their heirs and lawful successors will be allowed to hold their estates at such assessment for ever.'